



CITY OF  
**DENISON, TX**

300 WEST MAIN | DENISON, TX 75020

[WWW.CITYOFDENISON.COM](http://WWW.CITYOFDENISON.COM) | 903.465.2720

**2023**

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**ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT**

FOR FISCAL YEAR ENDED  
SEPTEMBER 30, 2023





***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT***

**of the**

**City of Denison, Texas**

**For the Year Ended  
September 30, 2023**

**Prepared by**

Bobby Atteberry  
Interim City Manager

Renee' Waggoner  
Assistant City Manager

Laurie Alsabbagh  
Director of Finance



# City of Denison, Texas

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## ***INTRODUCTORY SECTION***



## City of Denison

300 West Main Street | PO Box 347  
Denison, TX 75021-0347  
(903) 465-2720 | Fax (903) 464-4499



March 15, 2024

Honorable Mayor, City Council,  
And Residents of Denison

The Annual Comprehensive Financial Report of the City of Denison, Texas for the year ended September 30, 2023, is submitted herewith.

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 is established for this purpose. Since 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.

BrooksWatson & Co. have issued an unmodified ("clean") opinion on the City of Denison's financial statements for the year ended September 30, 2023. The independent auditor's report is located in the beginning of the financial section of the Annual Comprehensive Financial Report.

This letter of transmittal is designed to complement Management's Discussion and Analysis ("MD&A") and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements.

### GENERAL INFORMATION – CITY OF DENISON

The City of Denison is located in Grayson County just four miles from the Red River and Texas/ Oklahoma border. The City was founded on September 23, 1872, and incorporated on March 7, 1873.

The City Council is comprised of a Mayor and six council members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Attorney, 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.

## ECONOMIC CONDITIONS AND OUTLOOK

Grayson County is the 35<sup>th</sup> largest of 254 counties in Texas with a population of just over 137,008. Sherman is the county seat and largest city of Grayson county while Denison, which meets the northern border, is the next largest. Denison is home to approximately 26,800 residents in an area covering more than 29 square miles. Major industry for the area includes health care, insurance claim processing, farming, livestock, food processing and distribution, higher education, and manufacturing.

Given Denison's pro-business attitude, the City continued to move forward in a positive direction during 2023. Denison is clearly focused on the quality of life for all of its residents.

### Business Highlights:

- Cantina Lime held their grand opening and ribbon cutting on October 5, 2022.
- 34 Chophouse and Landon Winery, both in Downtown Denison on Main Street, held their preview Grand Opening on October 8, 2022.
- QuikTrip opened its first convenience store in Denison on November 17, 2022. The fuel and food center is 4,800 square feet and features 10 gasoline pumps.
- Heritage Butchery & Barbecue opened their butchery and market in November of 2022.
- North Texas Soft Wash held their ribbon cutting at their location at 48 Davy Lane, Suite D on November 22, 2022.
- MC Loan Signing Agents located at 313 W Woodard St. had their ribbon cutting on December 16, 2022.
- Sweet Lil Repeat had their ribbon cutting ceremony on December 16, 2022. Their consignment boutique is located at 307 W Main Street.
- Bubba Thompson – Texoma Real Estate Group, eXp Realty had their ribbon cutting on December 6, 2022, at 519 W Main Street, Suite 101.
- Golden Wellness Boutique held their ribbon cutting at 121 W Main Street on January 12, 2023.
- Top Paw Pet Grooming opened their doors at 714 W Chestnut in July of 2023.
- Fyr Flower located at 130 W Main Street held their grand opening and ribbon cutting July 11, 2023.
- The grand opening of Ace Hardware was August 2, 2023.
- Uniquely Posh Giftery at 226 W Main Street, Suite 101 in downtown Denison had their ribbon cutting on September 8, 2023.
- Jake Shockley – State Farm Insurance Agent held his ribbon cutting on September 15, 2023, for his new location at 5101 Gateway Blvd, Suite 107.
- Ethos Coffee located inside Katy Depot opened their doors in September of 2023.
- Pro Auto Glass & Window Tinting had their ribbon cutting at their location in downtown Denison at 316 N Houston Ave on September 21, 2023.
- Wise Wolf Gold and Silver Exchange located inside Main Street Mall at 500 W Main Street celebrated their ribbon cutting in September 2023.

### Other Highlights:

- The City has negotiated multiple tax abatement agreements. These agreements have a long term benefit of creating more earning power, sales taxes, and overall standard of living for the community.

- November 2022, the Denison Parks and Recreation Department was selected as an awards recipient for two Texas Recreation and Park Society (TRAPS) awards. Tyler Bark received the honor for the Horizons Award (recognizing an outstanding professional with less than 5 years of experience in either parks or recreation) and Chip Egger was recognized as the Park Professional of the Year (recognizing outstanding contribution to the Parks industry).
- The Sesquicentennial Time Capsule Ceremony was held in Katy Depot on Thursday, December 15, 2022. Items were collected for the time capsule, people shared memories, and Mayor Janet Gott offered thoughts on Denison, its history, and the sesquicentennial year. The time capsule was buried in the Katy Depot Park and will be opened by future residents during the City's bicentennial year in 2072.
- In December of 2022, the City unveiled 4 sculptures along the Katy Trail. The sculptures were created by local artist Casni Studio and are all railroad-inspired due to Denison's history with the MKT railroad. More sculptures are expected to be revealed in late 2023.
- January 2023 saw the arrival of the first of 3 new ambulances for Denison Fire Rescue.
- In February 2023, the City of Denison announced that the Denison Public Library received the 2022 Achievement of Library Excellence Award from the Texas Municipal Library Directors Association (TMLDA), an affiliate of the Texas Municipal League. This is the 9<sup>th</sup> year in a row for Denison. Of the 542 public libraries in Texas, only 73 received this award in 2022.
- April of 2023 the City of Denison was selected to be one of the nine Texas cities featured in the third season of Amazon Prime Docuseries, The Story of Art in America. Film Director and Creator of the Series, Christelle Bois, said she sought out small Texas cities with a big artistic presence. The city will have a 30-minute episode to paint the picture of six different artists in Denison, featuring their murals, statues, architecture, and music.
- On Monday, May 15, 2023, the Denison City Council unanimously approved a development agreement for Preston Harbor, a 3,114-acre master planned community slated to include a resort hotel, retail, restaurants, an upscale marina, and about 7,500 homes from luxury single-family to apartments, condos, townhomes, and cottages. David Craig, the founder, president and CEO of Craig International and the master developer of Craig Ranch in McKinney, will lead the development team for Preston Harbor. The project now called Preston Harbor has been in the works for 20 years and has been known for most of that time as Schuler Development. The development will have nine miles of frontage on Lake Texoma. Many of the homes on the shore will be single-family and estate homes on lots ranging from a quarter-acre to an acre or more. The town center area will have a park that cascades down to a public dock and private-public marina with 400 to 600 boat slips. That part of the project will include restaurants overlooking the lake and other retail opportunities along with townhome and multifamily development.
- In July of 2023, the City of Denison received notice from the Insurance Services Office (ISO) that Denison Fire Rescue had received a Public Protection Classification (PPC) rating of I/IY for its latest public protection classification. The rating, informally known as an ISO rating, classifies a fire department's capabilities at preventing and fighting a fire. A Class I rating decreases the cost of casualty insurance for Denison residents and commercial businesses and is a powerful economic incentive for companies and industries that are considering a move to Denison. ISO is an advisory organization that collects and evaluates information about a community ability to extinguish building fires – assigning a PPC rating between 1 and 10 – which is then used by insurance companies to help establish fair premiums for homeowner and commercial fire insurance. A Class 1 rating represents an exemplary fire suppression program and generally results in lower fire

insurance premiums throughout the community. Currently more than 50,000 departments are rated through the ISO. Only 411 in the country and 82 in the state of Texas have the highest rating. The new rating will take effect starting on January 1, 2024.

- In March 2023, Denison Fire Rescue received the American College of Cardiology Partnership Award, recognizing response times that have saved many lives.
- In March of 2023 the new President Dwight D. Eisenhower mural located at the Owings Street overpass at the intersection of Lamar and Owings which leads to the entrance of the Eisenhower Birthplace State Historic Site was created by Connecticut-based artist ARCY. On one side of the mural is a representation of General Eisenhower giving a speech at Forest Park in 1946, on the other side of the mural President Eisenhower is seen holding a key to the City, which was presented to him in 1952, the year he was elected president.
- In March 2023 THLA, the Texas Hotel and Lodging Association named Denison their City of the Month. Denison was featured on their website and was included in their newsletter and social media channels.
- On July 31, 2023, Denison was featured in a Texas Monthly's *Small-town Travel* series which explores the culture and history of destinations in Texas. The article stated that Denison is a cozy, not too crowded getaway in North Texas and our wineries, stylish bed-and-breakfast, and restored train depot make Denison a great weekend getaway.
- Denison welcomed hometown hero, Ambassador Chesley "Sully" Sullenberger on September 16, 2023. The day was filled with heartfelt tributes, and opportunities to connect with the remarkable man who captured the nation's heart with his extraordinary action with landing on the Hudson River. The day began with a homecoming parade on Main Street from the 700 block to Heritage Park. Following the parade, members of the public gathered at Heritage Park for a mural ribbon cutting dedicated to Ambassador Sullenberger's remarkable "Miracle on the Hudson" flight and his unwavering commitment to aviation safety. Ambassador Sullenberger then visited Perrin Air Force Base Museum to sign copies of his inspiring memoir.
- In September of 2023, Denison Main Street was announced as a 2024 Great American Main Street Award (GAMSA) Semifinalist. This prestigious award is the nation's top award recognizing communities for their excellence in comprehensive preservation-based commercial district revitalization. A jury of professionals and leaders in the fields of community and economic development and historic preservation convened to review a nationwide pool of applicants. After thoughtful deliberation, the jury unanimously selected eight semifinalists that demonstrate exemplary use of the Main Street Approach™ to lead community-based transformation strategies in their downtowns. The 2024 Great American Main Street Award winners will be announced at the opening plenary of the 2024 Main Street Now Conference in Birmingham, Alabama, on May 6, 2024.
- A total of 194 new single-family housing permits and 68 new duplex housing permits were issued from October 2022 to September 2023.

#### MAJOR INITIATIVES

- Phase One Ribbon Cutting for Designing Downtown Denison (D3) was held right in front of City Hall at 300 W Main on Monday, August 7, 2023.
- Phase Two of Denison's Main Street is in the works. The City approved \$1.2 million in bonds to fund the design of Phase Two of the Designing Downtown Denison project, also known as D3. Phase Two will pick up at the 300 and 400 hundred blocks, which includes the remodeling of

Heritage Park. Funding is for design only, with the construction of Phase Two still under discussion. Estimates of completion of Phase Two could be as early as 2026.

- Construction began December 2022 on the S. 7th Avenue, E. Hull Street, E. Murray Street, and W. Johnson Street projects which involve the construction of approximately 4,400 linear feet of 8-inch and 4-inch diameter PVC water line. The project also includes replacing approximately 3,075 linear feet of 6-inch diameter sanitary sewer line; reconstruction of approximately 2,100 linear feet of 29-foot and 27-foot wide asphalt road with concrete curb & gutter; reconstruction of 1,850 linear feet of 18-foot and 31-foot wide asphalt roadway.
- Duck Creek Interceptor Emergency Replacement – Construction began in January of 2023 for emergency sewer line replacement and upsizing from the Duck Creek Lift Station to Hwy 75 crossing. Estimate of completion is spring of 2024.
- Lake Texoma Raw Water Pump Station and Transmission Line. Construction began in January of 2023 on the intake structure and pipeline to add additional conveyance capacity from Lake Texoma to Lake Randell. Estimate of completion will be fall of 2025.
- Waterloo Lake Sewer Line Reconstruction. Phase 1 of this project began January 2023 and is expected to be completed in early 2024. This project includes but is not limited to replacement of approximately 7,400 linear feet of existing 8" and 12" gravity sewer pipe with approximately 9,332 linear feet of proposed 12" and 18" gravity sewer pipe, respectively, beginning near Viking Street northwest of Crawford Street and Lillis Lane to east of Waterloo Lake. The project also includes replacement of approximately 1,425 linear feet of lateral gravity sewer lines ranging from 8" to 12", pavement improvements, 18" storm drain installation, and abandonment of existing manholes and gravity pipe. Part of this project includes improving the parking lot at Waterloo Lake with a concrete pad for the kayak rental station, rip rap along the creek bank, and grading improvements.
- The E. Bullock Street project involves the construction of approximately 575 linear feet of 8-inch and 6-inch diameter PVC waterline. The project also includes the construction of 538 linear feet of 8-inch diameter sanitary sewer line; reconstruction of 506 linear feet of 31-foot-wide asphalt road with concrete curb & gutter. The project is expected to be completed in 14 months.
- The Loy Lake Road Reconstruction began in early 2023 and is anticipated to take about 20 months. The project includes reconstruction of Loy Lake from the US-75 service road to north of Odell Avenue, including approximately 3,600 feet of 37-foot undivided reinforced concrete pavement with curb and gutter, sidewalk on each side of the roadway, storm sewer, water, and sanitary sewer construction, a round-a-bout at Loy Lake Road and Coffin with all new road striping and signage. The project also includes a concrete path extending the sidewalk from the service road to Loy Lake Park. The goal of this project is to Mitigate stormwater issues in surrounding neighborhoods, improve utility service to existing residents and businesses, replace obsolete and/or damaged infrastructure.
- FM 84 Waterline Improvements project includes but is not limited to upsizing a portion of the existing waterline from Hwy 75 to Lil' Old Road. The City is replacing about 9,000 feet of 8" waterline with 12" waterline including new hydrants, new services, and other improvements. Timeline: Construction will begin in November 2023 and is estimated to be completed March 2024. The goal of the project is improved services for existing customers and additional capacity for future customers.

## FINANCIAL INFORMATION

### Accounting Procedures and Budgetary Controls

The City's accounting records for general government 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 and other proprietary activities are maintained on an accrual basis.

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 division. Budgets are reviewed by the City Manager. The City Manager makes final decisions and submits a recommended budget to the City Council.

As part of each year's budget development process, divisions are required to update expenditure estimates for the current fiscal year. These estimates are reviewed by the Assistant City Manager, the City Manager, and the City Council concurrent with review of the proposed budget. The level of control (the level at which expenditures may not exceed budget) is the division level. The City Council approves all budget amendments.

### 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 maintenance and operation costs as approved by the City Council. The tax rates adopted by the City Council are shown below:

| <u>Budget Year</u> | <u>Tax Rate</u> | <u>Taxable Value</u> | <u>Collections</u> |
|--------------------|-----------------|----------------------|--------------------|
| 2018-2019          | \$0.633377      | 1,573,456,675        | 9,354,694          |
| 2019-2020          | \$0.652034      | 1,754,054,513        | 10,589,079         |
| 2020-2021          | \$0.652034      | 1,908,178,096        | 11,544,648         |
| 2021-2022          | \$0.652034      | 2,075,368,996        | 12,509,237         |
| 2022-2023          | \$0.652034      | 2,594,661,245        | 15,573,481         |

## OTHER INFORMATION

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Denison for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the twelfth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.



A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### Acknowledgements

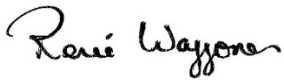
Many people are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Division who were instrumental in the successful completion of this report.

Our appreciation is also extended to the Mayor and members of the City Council for providing the resources necessary to maintain the integrity of the City's financial affairs.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "B. Atteberry", with a large, sweeping flourish at the end.

Bobby Atteberry  
INTERIM CITY MANAGER

A handwritten signature in black ink, appearing to read "Renee Waggoner", in a cursive script.

Renee' Waggoner  
ASSISTANT CITY MANAGER



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Denison  
Texas**

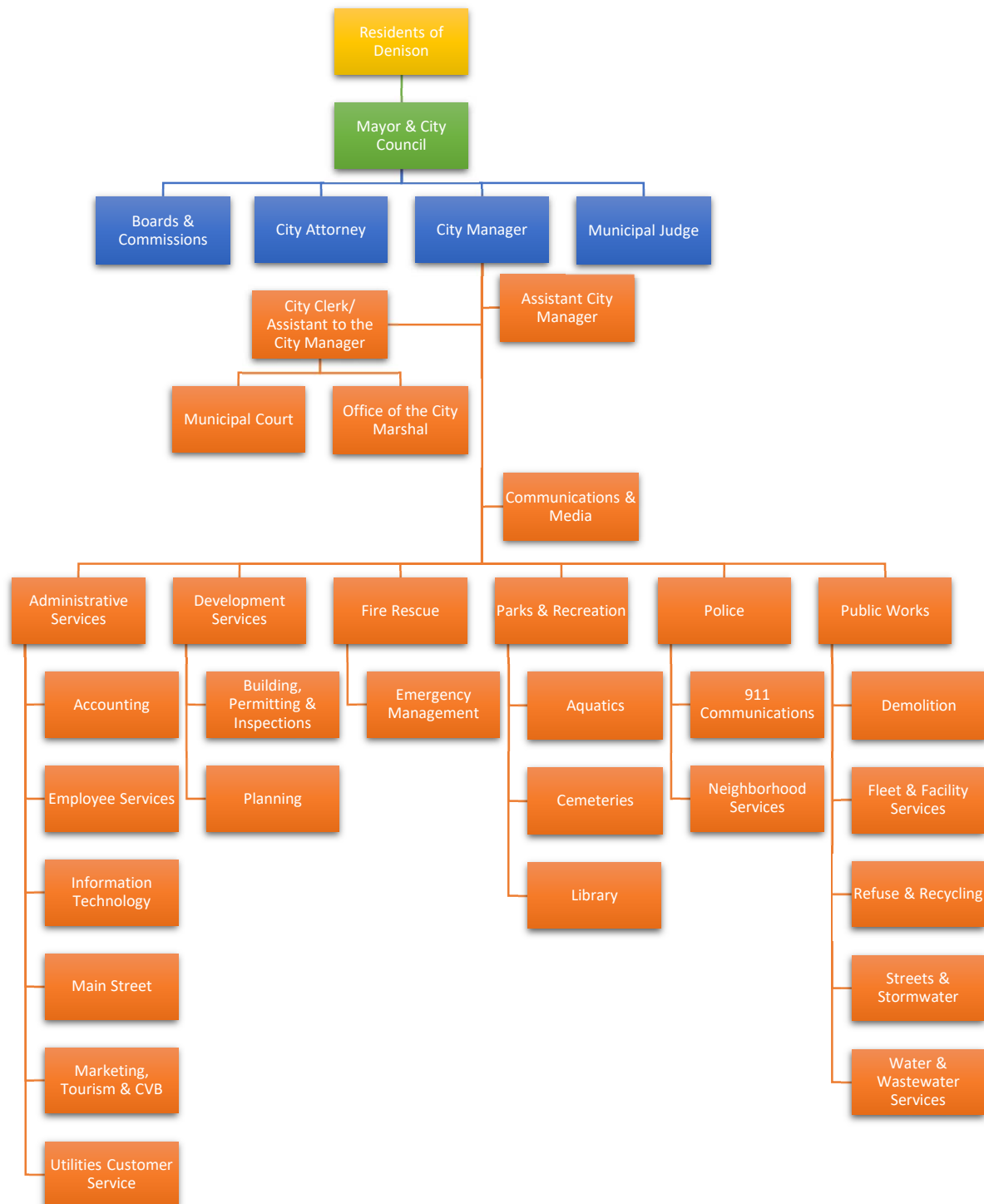
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# City of Denison 2022/2023 Organizational Chart



**City of Denison, Texas**  
***ELECTED AND APPOINTED OFFICIALS***  
**September 30, 2023**

**City Council**

|                    |                                      |
|--------------------|--------------------------------------|
| Janet Gott         | Mayor                                |
| Michael Courtright | Council Member Place 1               |
| James Thorne       | Council Member Place 2               |
| Josh Massey        | Council Member Place 3               |
| Robert Crawley     | Council Member Place 4/Mayor Pro Tem |
| Aaron Thomas       | Council Member Place 5               |
| Brian Hander       | Council Member Place 6               |

**Appointed Officials**

|                      |                                          |
|----------------------|------------------------------------------|
| Bobby Atteberry      | Interim City Manager                     |
| Renee' Waggoner      | Assistant City Manager                   |
| Michael Gudgel       | Police Chief                             |
| Kenneth Jacks        | Fire Chief                               |
| Christine Wallentine | Assistant to the City Manager/City Clerk |
| Ronnie Bates         | Public Works Director                    |

## ***FINANCIAL SECTION***





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

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Denison, Texas (the "City") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Denison, Texas, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows 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 City of Denison, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Denison Business and Industrial Corporation, component unit of the City, which represents 87%, 82%, and 98%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Denison Business and Industrial Corporation, is based solely on the report of the other auditors.

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

In performing an audit in accordance with GAAS, we:

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

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



## ***Emphasis of Matter***

### ***Restatements***

As discussed in Note V.J. to the financial statements, the City restated beginning net position for governmental activities in order to correct capital asset balances in the prior year. Our opinion is not modified with respect to these matters.

### ***Component Unit Yearend***

As discussed in Note I.B to the financial statements, the discretely presented component unit, Denison Community Investment Corporation, maintains financial records ending December 31, 2022.

## ***Other Matters***

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

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

### ***Other Information***

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

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Brooks Watson & Co.  
Certified Public Accountants  
Houston, Texas  
March 15, 2024

# **City of Denison, Texas**

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued***

### **September 30, 2023**

The purpose of the Management's Discussion and Analysis (the "MD&A") is to give the readers an objective and easily readable analysis of the City of Denison's financial activities for the year ending September 30, 2023. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current-year results with those of the prior year, and discusses the positive and negative aspects of that comparison. GASB Statement No. 34 establishes the content of the minimum requirements for the MD&A. Please read the MD&A in conjunction with the City's financial statements, which follow this section.

The annual financial report is presented as compliant with the financial reporting model in effect pursuant to GASB Statement No. 34. This financial reporting model requires governments to present certain basic financial statements as well as an MD&A and certain other Required Supplementary Information (RSI). The basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements.

#### **Financial Highlights**

- The City's total combined net position was \$94,301,048 at September 30, 2023. Of this, \$13,314,917 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$32,413,226, a decrease of \$115,516. This decrease is primarily due to significantly greater public safety expenditures compared to the prior year.
- As of the end of the year, the unassigned fund balance of the general fund was \$11,363,069 or 29% of total general fund expenditures.
- The City had an overall increase in net position of \$7,991,110.
- The City's net pension liabilities totaled \$15,095,017 as of year end.

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

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

# City of Denison, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2023

### **Government-Wide Statements**

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

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

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

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Denison Business and Industrial Corporation, Denison Community Investment Corporation, and the Denison Public Library Endowment Fund, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

### **FUND FINANCIAL STATEMENTS**

Funds may be considered as operating companies of the parent corporation, which is the City of Denison. They are usually segregated for specific activities or objectives. The City of Denison uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The categories of City funds are governmental, proprietary, and fiduciary.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of*

# City of Denison, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

### September 30, 2023

*spendable resources*, as well as *on balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

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

The City of Denison maintains thirty-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and general bond fund, which are considered major funds, and the aggregate nonmajor funds.

The City of Denison adopted budgets for all governmental funds with the exception of Community Development Operating, Mr. & Mrs. Jones Memorial Trust, Project Participation, and Hotel Occupancy Tax funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

#### **Proprietary Funds**

The City 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 distribution, wastewater collection/treatment, and water construction operations. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

#### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains two fiduciary funds. The police seizure fund is a custodial fund that accounts for assets seized by the police department in which the City holds in a custodial capacity. The sister city fund is a custodial fund that accounts for assets donated to a local nonprofit, which the City holds in a custodial capacity.

**City of Denison, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**September 30, 2023**

**Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

**Other Information**

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI that GASB Statement No. 34 requires includes a budgetary comparison schedule for the general fund and schedule of funding progress for Texas Municipal Retirement System and the Firemen's Relief and Retirement fund. RSI can be found after the basic financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds and discretely presented component units are presented immediately following the required supplementary information.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Denison, assets and deferred outflows exceed liabilities and deferred inflows by \$94,301,048 as of September 30, 2023, in the primary government.

The largest portion of the City's net position, \$73,398,482, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities. Long-term assets for both governmental and business-type activities increased over the prior year primarily as a result of increased investment in ongoing city projects.

Total current and other assets for the primary government increased by 14,350,446 or 18% primarily due to greater interest-bearing accounts and the realization of higher interest rates. In addition to, more cash on hand due to the new bond issuances in the current year.

Total deferred outflows for governmental activities increased by \$6,254,827 or over 100%. Total deferred inflows for governmental activities decreased by \$7,149,297 or 98%. Both changes are strictly due to actuarial changes in the City's pension balances over the course of the year.

**City of Denison, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2023**

Total capital assets for the primary government increased by \$44,642,490 or 31% due to water and sewer infrastructure improvements, in addition to new vehicles and equipment purchased during the current year.

Total long-term liabilities for the primary government increased by \$49,446,888 or 42% which is directly related to new bond issuances and the City recognizing a greater pension liability in the current year.

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

|                            | 2023                 |                      |                      | 2022                 |                      |                      |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                            | Governmental         | Business-Type        |                      | Governmental         | Business-Type        |                      |
|                            | Activities           | Activities           | Total                | Activities           | Activities           | Total                |
| Current and                |                      |                      |                      |                      |                      |                      |
| other assets               | \$ 44,239,311        | \$ 51,674,411        | \$ 95,913,722        | \$ 44,381,119        | \$ 37,182,157        | \$ 81,563,276        |
| Capital assets, net        | 75,074,045           | 111,972,065          | 187,046,110          | 70,352,544           | 72,051,076           | 142,403,620          |
| Net pension asset          | -                    | -                    | -                    | 2,097,759            | 591,281              | 2,689,040            |
| <b>Total Assets</b>        | <b>119,313,356</b>   | <b>163,646,476</b>   | <b>282,959,832</b>   | <b>116,831,422</b>   | <b>109,824,514</b>   | <b>226,655,936</b>   |
| <b>Deferred Outflows</b>   |                      |                      |                      |                      |                      |                      |
| <b>of Resources</b>        | <b>7,905,121</b>     | <b>1,496,788</b>     | <b>9,401,909</b>     | <b>1,650,294</b>     | <b>284,571</b>       | <b>1,934,865</b>     |
| Other liabilities          | 11,449,768           | 19,506,014           | 30,955,782           | 9,706,890            | 6,712,608            | 16,419,498           |
| Long-term liabilities      | 55,014,974           | 111,966,135          | 166,981,109          | 45,811,994           | 71,722,227           | 117,534,221          |
| <b>Total Liabilities</b>   | <b>66,464,742</b>    | <b>131,472,149</b>   | <b>197,936,891</b>   | <b>55,518,884</b>    | <b>78,434,835</b>    | <b>133,953,719</b>   |
| <b>Deferred Inflows of</b> |                      |                      |                      |                      |                      |                      |
| <b>Resources</b>           | <b>123,802</b>       | <b>-</b>             | <b>123,802</b>       | <b>7,273,099</b>     | <b>1,054,045</b>     | <b>8,327,144</b>     |
| Net Position:              |                      |                      |                      |                      |                      |                      |
| Net investment in          |                      |                      |                      |                      |                      |                      |
| capital assets             | 44,569,881           | 28,828,601           | 73,398,482           | 42,830,735           | 23,173,107           | 66,003,842           |
| Restricted                 | 7,587,649            | -                    | 7,587,649            | 10,233,014           | 591,281              | 10,824,295           |
| Unrestricted               | 8,472,403            | 4,842,514            | 13,314,917           | 2,625,984            | 6,855,817            | 9,481,801            |
| <b>Total Net Position</b>  | <b>\$ 60,629,933</b> | <b>\$ 33,671,115</b> | <b>\$ 94,301,048</b> | <b>\$ 55,689,733</b> | <b>\$ 30,620,205</b> | <b>\$ 86,309,938</b> |

# City of Denison, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

### September 30, 2023

#### Statement of Activities:

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

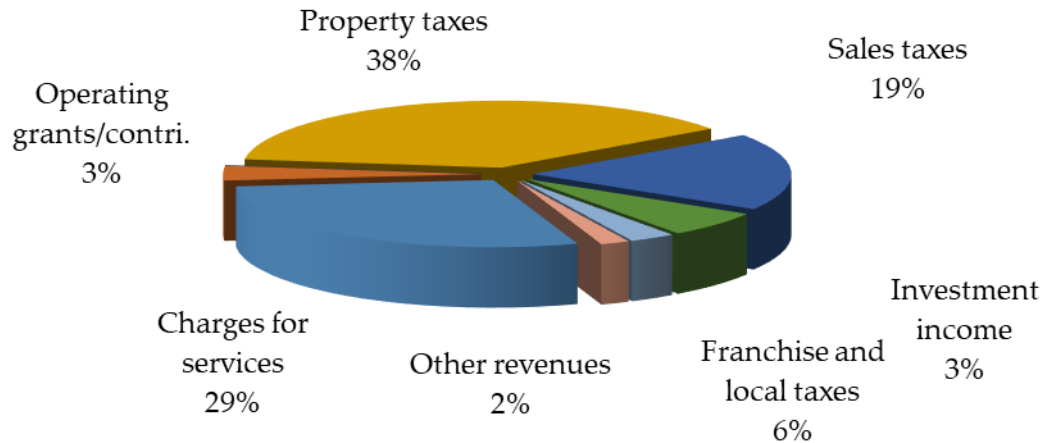
|                               | For the Year Ended September 30, 2023 |                      |                      | For the Year Ended September 30, 2022 |                      |                      |
|-------------------------------|---------------------------------------|----------------------|----------------------|---------------------------------------|----------------------|----------------------|
|                               |                                       |                      | Total                |                                       |                      | Total                |
|                               | Governmental                          | Business-Type        | Primary              | Governmental                          | Business-Type        | Primary              |
|                               | Activities                            | Activities           | Government           | Activities                            | Activities           | Government           |
| <b>Revenues</b>               |                                       |                      |                      |                                       |                      |                      |
| Program revenues:             |                                       |                      |                      |                                       |                      |                      |
| Charges for services          | \$ 12,587,840                         | \$ 18,968,067        | \$ 31,555,907        | \$ 10,209,298                         | \$ 16,903,891        | \$ 27,113,189        |
| Operating grants/contri.      | 1,525,739                             | 204,482              | 1,730,221            | 949,989                               | -                    | 949,989              |
| Capital grants/contri.        | 19,192                                | -                    | 19,192               | 3,913,306                             | -                    | 3,913,306            |
| General revenues:             |                                       |                      |                      |                                       |                      |                      |
| Property taxes                | 16,696,399                            | -                    | 16,696,399           | 13,263,057                            | -                    | 13,263,057           |
| Sales taxes                   | 8,140,375                             | -                    | 8,140,375            | 7,924,179                             | -                    | 7,924,179            |
| Franchise and local taxes     | 2,757,728                             | -                    | 2,757,728            | 2,419,078                             | -                    | 2,419,078            |
| Investment income             | 1,257,389                             | 2,068,107            | 3,325,496            | 147,480                               | 229,802              | 377,282              |
| Other revenues                | 795,431                               | -                    | 795,431              | 1,013,301                             | -                    | 1,013,301            |
| <b>Total Revenues</b>         | <b>43,780,093</b>                     | <b>21,240,656</b>    | <b>65,020,749</b>    | <b>39,839,688</b>                     | <b>17,133,693</b>    | <b>56,973,381</b>    |
| <b>Expenses</b>               |                                       |                      |                      |                                       |                      |                      |
| General government            | 9,116,744                             | -                    | 9,116,744            | 6,417,612                             | -                    | 6,417,612            |
| Public safety                 | 17,421,835                            | -                    | 17,421,835           | 13,218,099                            | -                    | 13,218,099           |
| Community services            | 6,748,665                             | -                    | 6,748,665            | 6,815,721                             | -                    | 6,815,721            |
| Public works                  | 7,400,109                             | -                    | 7,400,109            | 6,227,422                             | -                    | 6,227,422            |
| Interest and fiscal charges   | 1,174,944                             | 3,577,361            | 4,752,305            | 1,061,659                             | 1,907,004            | 2,968,663            |
| Water & sewer                 | -                                     | 11,589,981           | 11,589,981           | -                                     | 10,155,249           | 10,155,249           |
| <b>Total Expenses</b>         | <b>41,862,297</b>                     | <b>15,167,342</b>    | <b>57,029,639</b>    | <b>33,740,513</b>                     | <b>12,062,253</b>    | <b>45,802,766</b>    |
| <b>Change in Net Position</b> |                                       |                      |                      |                                       |                      |                      |
| <b>Before Transfers</b>       | 1,917,796                             | 6,073,314            | 7,991,110            | 6,099,175                             | 5,071,440            | 11,170,615           |
| Transfers                     | 3,022,404                             | (3,022,404)          | -                    | 1,971,499                             | (1,971,499)          | -                    |
| <b>Total</b>                  | <b>3,022,404</b>                      | <b>(3,022,404)</b>   | <b>-</b>             | <b>1,971,499</b>                      | <b>(1,971,499)</b>   | <b>-</b>             |
| <b>Change in Net Position</b> | <b>4,940,200</b>                      | <b>3,050,910</b>     | <b>7,991,110</b>     | <b>8,070,674</b>                      | <b>3,099,941</b>     | <b>11,170,615</b>    |
| Beginning Net Position        | 55,689,733                            | 30,620,205           | 86,309,938           | 47,619,059                            | 27,520,264           | 75,139,323           |
| <b>Ending Net Position</b>    | <b>\$ 60,629,933</b>                  | <b>\$ 33,671,115</b> | <b>\$ 94,301,048</b> | <b>\$ 55,689,733</b>                  | <b>\$ 30,620,205</b> | <b>\$ 86,309,938</b> |



**City of Denison, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2023**

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

**Governmental Activities - Revenues**

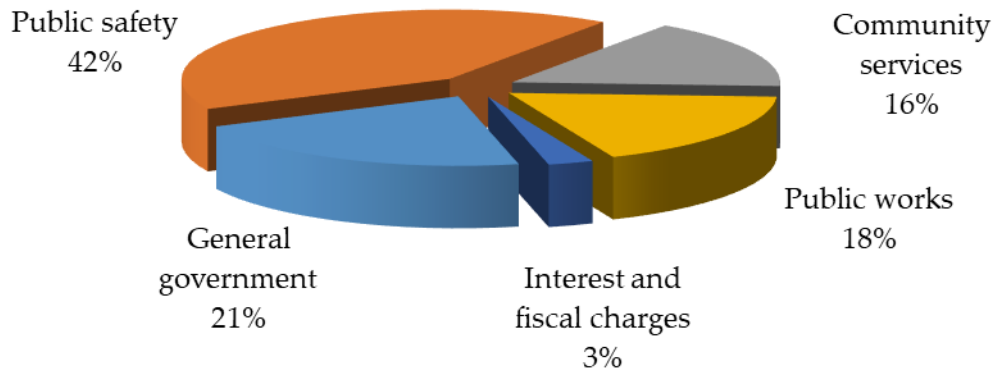


For the year ended September 30, 2023, revenues from governmental activities totaled \$43,780,093. Charges for services, property tax, and sales tax are the City's largest revenue sources. Charges for services increased by \$2,378,542 or 23%, which was due to greater garbage disposal, park maintenance fees and ambulance services, resulting from City growth over the course of the year. Operating grants and contributions increased by \$575,750 or 61% due to various contributions and a new grant for emergency rehabilitation program projects. Capital grants and contributions decreased by \$3,318,364 or 68% due primarily to nonrecurring federal relief grant received in the prior year. Property taxes increased by \$3,433,342 or 26% due to greater assessed property values in the current year as a result of growth and development throughout the City. Franchise and local taxes increased by \$338,650 or 14% primarily due to greater hotel/motel taxes, as a direct result of more tourism activities compared to the prior year. Investment income increased \$1,109,909 or over 100% due to the realization of higher interest rates and greater interest-bearing accounts held during the year. Other revenues decreased by \$217,870 or 22% as a result of a nonrecurring gain on sale of assets in the prior year. All other revenues remained relatively consistent with the prior year.

**City of Denison, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2023**

This graph shows the governmental function expenses of the City:

**Governmental Activities - Expenses**

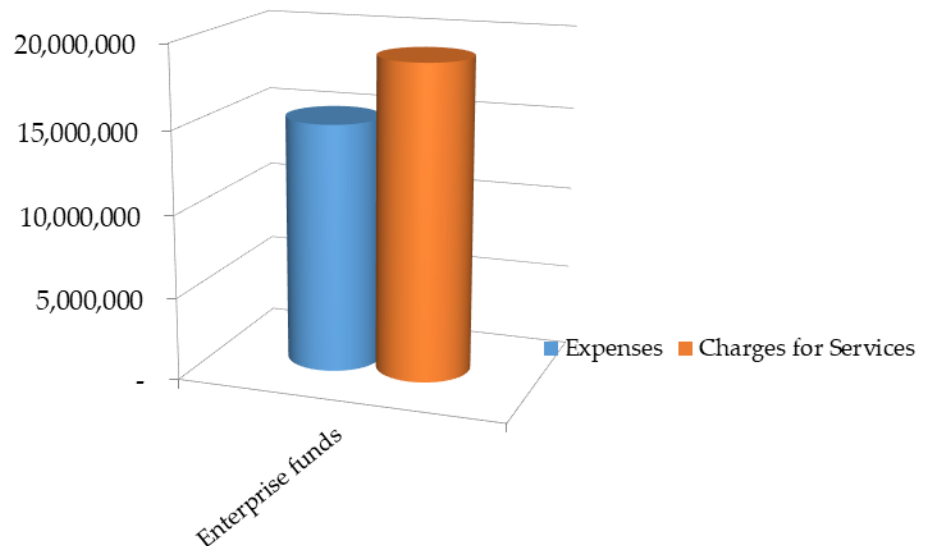


For the year ended September 30, 2023, expenses for governmental activities totaled \$41,862,297. This represents an increase of \$8,121,784 or 24% from the prior year. The City's largest functional expense is public safety of \$17,421,835 and increased by \$4,203,736 or 32%. This increase is primarily a result of current year adjustment to the pension liability and compensated absence balances, in addition to an increase in salaries and wages, as well as an increase in IT-related expenses in the current year. General government expenses increased by \$2,699,132 or 42% primarily due to greater personnel costs, resulting from hiring additional employees and increases in salaries in the current year. In addition, the City incurred greater professional and legal fees in the current year. Public works expenses increased by \$1,172,687 or 19% primarily due to greater personnel costs, resulting from increase in salaries and hiring additional employees. In addition to greater fuel costs for vehicles and equipment, vehicle maintenance, recycling costs, and building maintenance. All other expenses remained relatively consistent with the previous year.

**City of Denison, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2023**

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

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



For the year ended September 30, 2023, charges for services by business-type activities totaled \$18,968,067. This is an increase of \$2,064,176 or 12%, from the previous year. The increase is primarily a result of greater water consumption compared to the prior year and increased sewer service rates charged to customers in the current year.

Total expenses increased by \$3,105,089 or 26% compared to the prior year. Interest and fiscal charges increased primarily due to greater interest paid resulting from new debt issuances and nonrecurring bond issuance costs recognized in the current year. Utility service expenses increase due to greater personnel costs, water purchases, drainage supplies, professional fees, and depreciation expenses in the current year.

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

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

As of the end of the year the general fund reflected a total fund balance of \$12,443,886. Of this, \$98,168 is nonspendable inventories, \$4,572 is committed to cemetery, \$104,861 is committed for contingency,

# City of Denison, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2023

and \$873,216 is restricted for capital improvements. Unassigned fund balance totaled \$11,363,069 as of year end.

General fund balance increased by \$908,526 primarily due to receiving greater sales taxes and charges for services revenues than anticipated. In addition, the City incurred significantly less expenditures than what was appropriated. Property tax increased by \$2,553,861 when compared to the prior year due to greater assessed property values. Charges for services increased by \$2,436,533 when compared to the prior year due to greater garbage disposal and ambulance services.

The general interest and sinking fund reflected a total fund balance of \$2,130,979, an increase of \$1,144,521. The increase is primarily a result of funds received from the DDA Note Receivable, in addition to greater transfers in from other funds.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

There was a total positive budget variance of \$7,142,300 in the general fund. This is a combination of a positive revenue variance of \$2,728,412, a positive expenditure variance \$4,369,697, and positive variance in other financing sources of \$44,191.

The original general fund budget deficit of \$168,989 was amended during the year to a final budgeted deficit of \$6,233,774. Significant amendments made to expenditures included an increase in the city manager/administration and public safety – fire and police departments, and public works.

### **CAPITAL ASSETS**

As of the end of the year, the City's governmental activities funds had invested \$75,074,045 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$111,972,065 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Land improvements to Mulberry Bridge and Jones Park totaling \$67,727.
- Improvements to the library building for \$48,763.
- Building maintenance totaling \$52,326.
- Purchased a firetruck for \$774,000.
- Purchased a dump truck for \$157,000.
- Purchased four new vehicles for the fire department totaling \$563,145.
- Purchased new radio infrastructure for \$763,906.

**City of Denison, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**September 30, 2023**

- Purchased equipment for the fire department totaling \$200,185.
- Purchased a Bobcat Compact Track Loader for \$81,578.
- Purchased six generators for \$364,950.
- Purchased four dumpsters for \$143,078.
- Purchased a blower and turbine pump for the water treatment plant totaling \$109,498.
- Purchased two Dri-Prime Pumps for \$111,841.
- Purchased a Gorman Rupp Pump for \$44,000.
- Purchased a cargo trailer for \$33,196.
- Purchased an elevated tank for \$78,237.
- Made improvements to the Theresa Water Line for \$5,240,345.
- Purchased an Iron Ore Creek Interceptor for \$4,298,678.

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

**LONG-TERM DEBT**

At the end of the current year, the City had total bonds, notes payable, and other long-term debt outstanding of \$158,125,613. During the year, the City made payments on long-term debt totaling \$8,197,243. Additions to long-term debt include Certificates of Obligation, Series 2022C, totaling \$1,140,000 in governmental activities and Certificates of Obligation, Series 2023, totaling \$39,520,000 in business-type activities. The City entered into multiple lease agreements totaling \$2,827,118 for governmental activities and \$728,912 for business-type activities. The City entered into two subscription-based information technology agreements (SBITAs) totaling \$28,511 for governmental activities and \$85,534 for business-type activities. The City's credit rating remained unchanged over the course of the year. More detailed information about the City's long-term liabilities is presented in note IV. G to the financial statements.

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

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of Denison and improving services provided to their public citizens. The City is budgeting for growth in the upcoming year.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City of Denison's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Director, 300 West Main Street, P.O. Box 347, Denison, Texas 75021.



## ***FINANCIAL STATEMENTS***

**City of Denison, Texas**  
**STATEMENT OF NET POSITION (Page 1 of 2)**  
**September 30, 2023**

|                                              | Primary Government         |                             |                    | Component<br>Units |
|----------------------------------------------|----------------------------|-----------------------------|--------------------|--------------------|
|                                              | Governmental<br>Activities | Business-Type<br>Activities | Total              |                    |
| <b><u>Assets</u></b>                         |                            |                             |                    |                    |
| Cash and cash equivalents                    | \$ 26,395,866              | \$ 24,378,249               | \$ 50,774,115      | \$ 6,619,250       |
| Investments                                  | 405,630                    | 401,808                     | 807,438            | 2,264,894          |
| Restricted assets - cash                     | 6,769,333                  | 23,849,696                  | 30,619,029         | 18,531             |
| Restricted assets - investments              | -                          | -                           | -                  | 655,749            |
| Receivables, net                             | 4,152,382                  | 2,817,729                   | 6,970,111          | 516,615            |
| Inventory                                    | 98,168                     | 160,716                     | 258,884            | -                  |
| Internal balances                            | (66,213)                   | 66,213                      | -                  | -                  |
| Intergovernmental receivable                 | -                          | -                           | -                  | 965,895            |
| Current portion of grant receivables         | 793,519                    | -                           | 793,519            | -                  |
| Notes receivable - current                   | 255,000                    | -                           | 255,000            | 147,896            |
| Interest in net position of recipient org.   | 212,107                    | -                           | 212,107            | -                  |
| <b>Total Current Assets</b>                  | <b>39,015,792</b>          | <b>51,674,411</b>           | <b>90,690,203</b>  | <b>11,188,830</b>  |
| Notes receivable - long-term                 | 4,430,000                  | -                           | 4,430,000          | 1,002,904          |
| Long-term grant receivables                  | 793,519                    | -                           | 793,519            | -                  |
| Capital assets:                              |                            |                             |                    |                    |
| Non-depreciable                              | 19,069,651                 | 49,514,613                  | 68,584,264         | 6,019,261          |
| Net depreciable capital assets               | 56,004,394                 | 62,457,452                  | 118,461,846        | 339,294            |
| <b>Total Noncurrent Assets</b>               | <b>80,297,564</b>          | <b>111,972,065</b>          | <b>192,269,629</b> | <b>7,361,459</b>   |
| <b>Total Assets</b>                          | <b>119,313,356</b>         | <b>163,646,476</b>          | <b>282,959,832</b> | <b>18,550,289</b>  |
| <b><u>Deferred Outflows of Resources</u></b> |                            |                             |                    |                    |
| Pension outflows - TMRS                      | 4,679,996                  | 1,473,418                   | 6,153,414          | -                  |
| Pension outflows - firefighter's pension     | 3,225,125                  | -                           | 3,225,125          | -                  |
| Deferred charge on bond refunding            | -                          | 23,370                      | 23,370             | -                  |
| <b>Total Deferred Outflows of Resources</b>  | <b>7,905,121</b>           | <b>1,496,788</b>            | <b>9,401,909</b>   | <b>-</b>           |



# City of Denison, Texas

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

September 30, 2023

|                                             | Primary Government         |                             |                      |                      |
|---------------------------------------------|----------------------------|-----------------------------|----------------------|----------------------|
|                                             | Governmental<br>Activities | Business-Type<br>Activities | Total                | Component<br>Units   |
| <b>Liabilities</b>                          |                            |                             |                      |                      |
| Accounts payable and<br>accrued liabilities | 4,159,135                  | 13,016,966                  | 17,176,101           | 42,192               |
| Escrow payable                              | -                          | -                           | -                    | 18,530               |
| Accrued interest payable                    | 143,952                    | 890,841                     | 1,034,793            | 303,969              |
| Compensated absences - current              | 1,534,400                  | 283,022                     | 1,817,422            | 7,811                |
| Intergovernmental payable - current         | 965,849                    | -                           | 965,849              | -                    |
| Long-term debt - current                    | 4,646,432                  | 4,637,369                   | 9,283,801            | 346,630              |
| <b>Total Current Liabilities</b>            | <b>11,449,768</b>          | <b>19,506,014</b>           | <b>30,955,782</b>    | <b>719,132</b>       |
| Noncurrent liabilities:                     |                            |                             |                      |                      |
| Net pension liab. - TMRS                    | 5,966,971                  | 1,878,602                   | 7,845,573            | -                    |
| Net pension liab. - firefighter's pension   | 7,249,444                  | -                           | 7,249,444            | -                    |
| Compensated absences - noncurrent           | 2,847,702                  | 196,578                     | 3,044,280            | 70,296               |
| Long-term debt - noncurrent                 | 38,950,857                 | 109,890,955                 | 148,841,812          | 4,524,845            |
| <b>Total Noncurrent Liabilities</b>         | <b>55,014,974</b>          | <b>111,966,135</b>          | <b>166,981,109</b>   | <b>4,595,141</b>     |
| <b>Total Liabilities</b>                    | <b>66,464,742</b>          | <b>131,472,149</b>          | <b>197,936,891</b>   | <b>5,314,273</b>     |
| <b>Deferred Inflows of Resources</b>        |                            |                             |                      |                      |
| Pension inflows -firefighter's pension      | 123,802                    | -                           | 123,802              | -                    |
| <b>Total Deferred Inflows of Resources</b>  | <b>123,802</b>             | <b>-</b>                    | <b>123,802</b>       | <b>-</b>             |
| <b>Net Position</b>                         |                            |                             |                      |                      |
| Net investment in capital assets            | 44,569,881                 | 28,828,601                  | 73,398,482           | 1,183,111            |
| Restricted for:                             |                            |                             |                      |                      |
| Capital improvements                        | 929,604                    | -                           | 929,604              | -                    |
| Debt service                                | 1,787,060                  | -                           | 1,787,060            | 13,222               |
| Municipal court                             | 98,379                     | -                           | 98,379               | -                    |
| Public safety                               | 111,881                    | -                           | 111,881              | -                    |
| Library                                     | 1,997,508                  | -                           | 1,997,508            | -                    |
| Federal relief grants                       | 2,663,217                  | -                           | 2,663,217            | -                    |
| Unrestricted                                | 8,472,403                  | 4,842,514                   | 13,314,917           | 12,039,683           |
| <b>Total Net Position</b>                   | <b>\$ 60,629,933</b>       | <b>\$ 33,671,115</b>        | <b>\$ 94,301,048</b> | <b>\$ 13,236,016</b> |

See Notes to Financial Statements.



# City of Denison, Texas

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

| Functions/Programs                          | 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      |                          | Total                  |                      |
|                                             |                      |                      |                                    |                                                   | Governmental Activities | Business-Type Activities |                        |                      |
| <b>Primary Government</b>                   |                      |                      |                                    |                                                   |                         |                          |                        |                      |
| <b>Governmental Activities</b>              |                      |                      |                                    |                                                   |                         |                          |                        |                      |
| General government                          | \$ 9,116,744         | \$ 250,721           | \$ 7,944                           | \$ -                                              | \$ (8,858,079)          | \$ -                     | \$ (8,858,079)         | \$ -                 |
| Public safety                               | 17,421,835           | 2,994,313            | 130,808                            | 19,192                                            | (14,277,522)            | -                        | (14,277,522)           | -                    |
| Community services                          | 6,748,665            | 2,239,177            | 829,035                            | -                                                 | (3,680,453)             | -                        | (3,680,453)            | -                    |
| Public works                                | 7,400,109            | 7,103,629            | 557,952                            | -                                                 | 261,472                 | -                        | 261,472                | -                    |
| Interest and fiscal charges                 | 1,174,944            | -                    | -                                  | -                                                 | (1,174,944)             | -                        | (1,174,944)            | -                    |
| <b>Total Governmental Activities</b>        | <b>41,862,297</b>    | <b>12,587,840</b>    | <b>1,525,739</b>                   | <b>19,192</b>                                     | <b>(27,729,526)</b>     | <b>-</b>                 | <b>(27,729,526)</b>    | <b>-</b>             |
| <b>Business-Type Activities</b>             |                      |                      |                                    |                                                   |                         |                          |                        |                      |
| Water & Sewer                               | 15,167,342           | 18,968,067           | 204,482                            | -                                                 | -                       | 4,005,207                | 4,005,207              | -                    |
| <b>Total Business-Type Activities</b>       | <b>15,167,342</b>    | <b>18,968,067</b>    | <b>204,482</b>                     | <b>-</b>                                          | <b>-</b>                | <b>4,005,207</b>         | <b>4,005,207</b>       | <b>-</b>             |
| <b>Total Primary Government</b>             | <b>\$ 57,029,639</b> | <b>\$ 31,555,907</b> | <b>\$ 1,730,221</b>                | <b>19,192</b>                                     | <b>\$ (27,729,526)</b>  | <b>\$ 4,005,207</b>      | <b>\$ (23,724,319)</b> | <b>\$ -</b>          |
| <b>Component units:</b>                     |                      |                      |                                    |                                                   |                         |                          |                        |                      |
| Business and Industrial Corporation         | 1,331,931            | 361,759              | 186,790                            | -                                                 | -                       | -                        | -                      | (783,382)            |
| Denison Public Library Endowment Fund       | 54,868               | -                    | 10,224                             | -                                                 | -                       | -                        | -                      | (44,644)             |
| Denison Community Investment Corp.          | 14,784               | -                    | -                                  | -                                                 | -                       | -                        | -                      | (14,784)             |
| <b>Total Component Units</b>                | <b>\$ 1,401,583</b>  | <b>\$ 361,759</b>    | <b>\$ 197,014</b>                  | <b>\$ -</b>                                       | <b>\$ -</b>             | <b>\$ -</b>              | <b>\$ -</b>            | <b>\$ (842,810)</b>  |
| <b>General Revenues:</b>                    |                      |                      |                                    |                                                   |                         |                          |                        |                      |
| Taxes                                       |                      |                      |                                    |                                                   |                         |                          |                        |                      |
| Property taxes                              |                      |                      |                                    | 16,696,399                                        |                         | -                        |                        | -                    |
| Sales taxes                                 |                      |                      |                                    | 8,140,375                                         |                         | -                        |                        | 2,713,519            |
| Franchise and local taxes                   |                      |                      |                                    | 2,757,728                                         |                         | -                        |                        | -                    |
| Investment income (losses)                  |                      |                      |                                    | 1,257,389                                         |                         | 2,068,107                |                        | (901,852)            |
| Other revenues                              |                      |                      |                                    | 795,431                                           |                         | -                        |                        | 45,991               |
| <b>Transfers</b>                            |                      |                      |                                    | 3,022,404                                         |                         | (3,022,404)              |                        | -                    |
| <b>Total General Revenues and Transfers</b> |                      |                      |                                    | <b>32,669,726</b>                                 |                         | <b>(954,297)</b>         |                        | <b>1,857,658</b>     |
| <b>Change in Net Position</b>               |                      |                      |                                    |                                                   |                         |                          |                        |                      |
| Beginning Net Position                      |                      |                      |                                    | 4,940,200                                         |                         | 3,050,910                |                        | 1,014,848            |
| <b>Ending Net Position</b>                  |                      |                      |                                    | <b>55,689,733</b>                                 |                         | <b>30,620,205</b>        |                        | <b>12,221,168</b>    |
|                                             |                      |                      |                                    | <b>\$ 60,629,933</b>                              |                         | <b>\$ 33,671,115</b>     |                        | <b>\$ 13,236,016</b> |
| See Notes to Financial Statements.          |                      |                      |                                    |                                                   |                         |                          |                        |                      |

See Notes to Financial Statements.

# City of Denison, Texas

BALANCE SHEET (Page 1 of 2)

## GOVERNMENTAL FUNDS

September 30, 2023

|                                             | General              | General<br>Interest &<br>Sinking | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------------------------------|----------------------|----------------------------------|-----------------------------------|--------------------------------|
| <b><u>Assets</u></b>                        |                      |                                  |                                   |                                |
| Cash and cash equivalents                   | \$ 11,148,496        | \$ -                             | \$ 15,247,370                     | \$ 26,395,866                  |
| Investments                                 | 405,630              | -                                | -                                 | 405,630                        |
| Restricted assets - cash                    | 873,216              | 2,130,969                        | 3,765,148                         | 6,769,333                      |
| Receivables, net                            | 5,494,217            | 4,776,021                        | 154,182                           | 10,424,420                     |
| Due from other funds                        | 9,801                | -                                | -                                 | 9,801                          |
| Inventory                                   | 98,168               | -                                | -                                 | 98,168                         |
| Interest in net position of recipient org.  | -                    | -                                | 212,107                           | 212,107                        |
| <b>Total Assets</b>                         | <b>\$ 18,029,528</b> | <b>\$ 6,906,990</b>              | <b>\$ 19,378,807</b>              | <b>\$ 44,315,325</b>           |
| <b><u>Liabilities</u></b>                   |                      |                                  |                                   |                                |
| Accounts payable and accrued liab.          | \$ 2,694,703         | \$ -                             | \$ 1,464,432                      | \$ 4,159,135                   |
| Due to other funds                          | -                    | -                                | 76,014                            | 76,014                         |
| <b>Total Liabilities</b>                    | <b>2,694,703</b>     | <b>-</b>                         | <b>1,540,446</b>                  | <b>4,235,149</b>               |
| <b><u>Deferred Inflows of Resources</u></b> |                      |                                  |                                   |                                |
| Unavailable revenue - property taxes        | 600,669              | 91,011                           | -                                 | 691,680                        |
| Unavailable revenue - fines and forfeitures | 68,840               | -                                | -                                 | 68,840                         |
| Unavailable revenue - grants                | 1,587,038            | -                                | -                                 | 1,587,038                      |
| Unavailable revenue - intergovt. receivable | -                    | 4,685,000                        | -                                 | 4,685,000                      |
| Unavailable revenue - contract services     | 634,392              | -                                | -                                 | 634,392                        |
| <b>Total Deferred Inflows of Resources</b>  | <b>2,890,939</b>     | <b>4,776,011</b>                 | <b>-</b>                          | <b>7,666,950</b>               |

# City of Denison, Texas

*BALANCE SHEET (Page 2 of 2)*

## GOVERNMENTAL FUNDS

September 30, 2023

|                                                                                | General              | General<br>Interest &<br>Sinking | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------------------------|----------------------|----------------------------------|-----------------------------------|--------------------------------|
| <b><u>Fund Balances</u></b>                                                    |                      |                                  |                                   |                                |
| Nonspendable:                                                                  |                      |                                  |                                   |                                |
| Inventory                                                                      | 98,168               | -                                | -                                 | 98,168                         |
| Restricted for:                                                                |                      |                                  |                                   |                                |
| Debt service                                                                   | -                    | -                                | 1,787,060                         | 1,787,060                      |
| Capital improvements                                                           | 873,216              | 2,130,979                        | 8,498,457                         | 11,502,652                     |
| Municipal court                                                                | -                    | -                                | 98,379                            | 98,379                         |
| Public safety                                                                  | -                    | -                                | 111,881                           | 111,881                        |
| Community services                                                             | -                    | -                                | 1,997,508                         | 1,997,508                      |
| Federal relief grants                                                          | -                    | -                                | 2,663,217                         | 2,663,217                      |
| Committed to:                                                                  |                      |                                  |                                   |                                |
| Parks                                                                          | -                    | -                                | 1,118,119                         | 1,118,119                      |
| Cemetery                                                                       | 4,572                | -                                | -                                 | 4,572                          |
| Contingency                                                                    | 104,861              | -                                | -                                 | 104,861                        |
| General government                                                             | -                    | -                                | 31,183                            | 31,183                         |
| Capital projects                                                               | -                    | -                                | 1,330,251                         | 1,330,251                      |
| Assigned to:                                                                   |                      |                                  |                                   |                                |
| Capital projects                                                               | -                    | -                                | 212,107                           | 212,107                        |
| Unassigned                                                                     | 11,363,069           | -                                | (9,801)                           | 11,353,268                     |
| <b>Total Fund Balances</b>                                                     | <b>12,443,886</b>    | <b>2,130,979</b>                 | <b>17,838,361</b>                 | <b>32,413,226</b>              |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> | <b>\$ 18,029,528</b> | <b>\$ 6,906,990</b>              | <b>\$ 19,378,807</b>              | <b>\$ 44,315,325</b>           |

See Notes to Financial Statements.



# City of Denison, Texas

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

September 30, 2023

|                                                 |                      |
|-------------------------------------------------|----------------------|
| <b>Fund Balances - Total Governmental Funds</b> | <b>\$ 32,413,226</b> |
|-------------------------------------------------|----------------------|

### Adjustments for the Statement of Net Position:

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

|                                  |            |
|----------------------------------|------------|
| Capital assets - non-depreciable | 19,069,651 |
| Capital assets - net depreciable | 56,004,394 |

Deferred outflows (inflows) of resources, represent a consumption (acquisition) of net assets that applies to a future period(s) and is not recognized as an outflow (inflow) of resources (expenditure/revenue) until then.

|                                               |           |
|-----------------------------------------------|-----------|
| Pension outflows - TMRS                       | 4,679,996 |
| Pension outflows - firefighter's pension fund | 3,225,125 |
| Pension inflows - firefighter's pension fund  | (123,802) |

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

|                                     |           |
|-------------------------------------|-----------|
| Unavailable revenue items           | 1,394,912 |
| Intergovernmental receivable - BICD | 4,685,000 |
| Grant receivables                   | 1,587,038 |

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

|                                                    |              |
|----------------------------------------------------|--------------|
| Accrued interest                                   | (143,952)    |
| Compensated absences                               | (4,382,102)  |
| Intergovernmental payable - BICD                   | (965,849)    |
| Bond premium                                       | (2,240,596)  |
| Bonds, notes and other payables                    | (41,356,693) |
| Net pension liability- TMRS                        | (5,966,971)  |
| Net pension liability - firefighter's pension fund | (7,249,444)  |

|                                                |                      |
|------------------------------------------------|----------------------|
| <b>Net Position of Governmental Activities</b> | <b>\$ 60,629,933</b> |
|------------------------------------------------|----------------------|

See Notes to Financial Statements.

# City of Denison, Texas

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

For the Year Ended September 30, 2023

|                                                                      | General              | General<br>Interest &<br>Sinking | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------------------------------------------------|----------------------|----------------------------------|-----------------------------------|--------------------------------|
|                                                                      | General              |                                  |                                   |                                |
| <b><u>Revenues</u></b>                                               |                      |                                  |                                   |                                |
| Property tax                                                         | \$ 12,873,662        | \$ 1,834,511                     | \$ 1,858,775                      | \$ 16,566,948                  |
| Sales tax                                                            | 8,140,375            | -                                | -                                 | 8,140,375                      |
| Franchise and local taxes                                            | 1,680,440            | -                                | 1,077,288                         | 2,757,728                      |
| License and permits                                                  | 967,994              | -                                | -                                 | 967,994                        |
| Intergovernmental                                                    | 601,320              | 356,100                          | 1,396,030                         | 2,353,450                      |
| Charges for services                                                 | 10,097,231           | -                                | 651,206                           | 10,748,437                     |
| Fines and forfeitures                                                | 413,067              | -                                | 31,411                            | 444,478                        |
| Investment income                                                    | 384,146              | 85,627                           | 787,616                           | 1,257,389                      |
| Contributions and donations                                          | 150,000              | -                                | 554                               | 150,554                        |
| Other revenue                                                        | 278,270              | -                                | 516,607                           | 794,877                        |
| <b>Total Revenues</b>                                                | <b>35,586,505</b>    | <b>2,276,238</b>                 | <b>6,319,487</b>                  | <b>44,182,230</b>              |
| <b><u>Expenditures</u></b>                                           |                      |                                  |                                   |                                |
| Current:                                                             |                      |                                  |                                   |                                |
| General government                                                   | 7,947,215            | -                                | 1,803,802                         | 9,751,017                      |
| Public safety                                                        | 14,210,707           | -                                | 236,143                           | 14,446,850                     |
| Community services                                                   | 6,519,511            | -                                | 258,690                           | 6,778,201                      |
| Public works                                                         | 7,005,196            | -                                | 508,017                           | 7,513,213                      |
| Capital outlay                                                       | 2,081,629            | -                                | 5,068,425                         | 7,150,054                      |
| Debt Service:                                                        |                      |                                  |                                   |                                |
| Principal                                                            | 1,809,391            | 2,419,429                        | 305,265                           | 4,534,085                      |
| Interest and fiscal charges                                          | 237,590              | 1,117,209                        | 62,419                            | 1,417,218                      |
| <b>Total Expenditures</b>                                            | <b>39,811,239</b>    | <b>3,536,638</b>                 | <b>8,242,761</b>                  | <b>51,590,638</b>              |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>(4,224,734)</b>   | <b>(1,260,400)</b>               | <b>(1,923,274)</b>                | <b>(7,408,408)</b>             |
| <b><u>Other Financing Sources (Uses)</u></b>                         |                      |                                  |                                   |                                |
| Transfers in                                                         | 3,332,239            | 2,404,921                        | 1,585,894                         | 7,323,054                      |
| Transfers (out)                                                      | (1,329,467)          | -                                | (2,971,183)                       | (4,300,650)                    |
| Lease liabilities                                                    | 2,827,118            | -                                | -                                 | 2,827,118                      |
| Subscription liabilities                                             | 28,511               | -                                | -                                 | 28,511                         |
| Sale of assets                                                       | 274,859              | -                                | -                                 | 274,859                        |
| Bond issuance                                                        | -                    | -                                | 1,140,000                         | 1,140,000                      |
| <b>Total Other Financing<br/>Sources (Uses)</b>                      | <b>5,133,260</b>     | <b>2,404,921</b>                 | <b>(245,289)</b>                  | <b>7,292,892</b>               |
| <b>Net Change in Fund Balances</b>                                   | <b>908,526</b>       | <b>1,144,521</b>                 | <b>(2,168,563)</b>                | <b>(115,516)</b>               |
| Beginning fund balances                                              | 11,535,360           | 986,458                          | 20,006,924                        | 32,528,742                     |
| <b>Ending Fund Balances</b>                                          | <b>\$ 12,443,886</b> | <b>\$ 2,130,979</b>              | <b>\$ 17,838,361</b>              | <b>\$ 32,413,226</b>           |

See Notes to Financial Statements.



# City of Denison, Texas

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

**For the Year Ended September 30, 2023**

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

|                                                         |              |
|---------------------------------------------------------|--------------|
| Net changes in fund balances - total governmental funds | \$ (115,516) |
|---------------------------------------------------------|--------------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

|                                                     |             |
|-----------------------------------------------------|-------------|
| Capital outlay                                      | 7,823,386   |
| Depreciation expense                                | (2,749,233) |
| Net effect of capital asset transfers and disposals | (352,652)   |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

|                      |           |
|----------------------|-----------|
| Unavailable revenues | 556,382   |
| Grant revenue        | (793,519) |

|                                 |           |
|---------------------------------|-----------|
| Net balance of funds due to DDA | 1,194,189 |
|---------------------------------|-----------|

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.

|                                     |             |
|-------------------------------------|-------------|
| Compensated absences                | (1,261,699) |
| Pension expense - TMRS              | (555,282)   |
| Pension expense - Firemen's pension | 413,414     |
| Accrued interest                    | 81,402      |

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

|                                         |             |
|-----------------------------------------|-------------|
| Amortization of premium                 | 160,872     |
| Issuance of debt                        | (1,140,000) |
| Lease related issuances                 | (2,827,118) |
| Subscription liability issuance "SBITA" | (28,511)    |
| Principal payments                      | 4,534,085   |

|                                                          |                     |
|----------------------------------------------------------|---------------------|
| <b>Change in Net Position of Governmental Activities</b> | <b>\$ 4,940,200</b> |
|----------------------------------------------------------|---------------------|

See Notes to Financial Statements.

**City of Denison, Texas**  
**STATEMENT OF NET POSITION (Page 1 of 2)**  
**PROPRIETARY FUND**  
**September 30, 2023**

|                                              | <b>Utility<br/>Fund</b> |
|----------------------------------------------|-------------------------|
| <b><u>Assets</u></b>                         |                         |
| <b><u>Current Assets</u></b>                 |                         |
| Cash and cash equivalents                    | \$ 24,378,249           |
| Investments                                  | 401,808                 |
| Receivables, net                             | 2,817,729               |
| Due from other funds                         | 66,213                  |
| Inventory                                    | 160,716                 |
| Restricted assets - cash                     | 23,849,696              |
| <b>Total Current Assets</b>                  | <b>51,674,411</b>       |
| <b><u>Noncurrent Assets</u></b>              |                         |
| Capital assets:                              |                         |
| Non-depreciable                              | 49,514,613              |
| Net depreciable capital assets               | 62,457,452              |
| <b>Total Noncurrent Assets</b>               | <b>111,972,065</b>      |
| <b>Total Assets</b>                          | <b>163,646,476</b>      |
| <b><u>Deferred Outflows of Resources</u></b> |                         |
| Pension contributions                        | 270,229                 |
| Pension difference in experience             | 68,855                  |
| Pension investment earnings                  | 1,134,334               |
| Deferred charge on bond refunding            | 23,370                  |
| <b>Total Deferred Outflows of Resources</b>  | <b>1,496,788</b>        |

**City of Denison, Texas**  
**STATEMENT OF NET POSITION (Page 2 of 2)**  
**PROPRIETARY FUND**  
**September 30, 2023**

|                                             | <b>Utility<br/>Fund</b> |
|---------------------------------------------|-------------------------|
| <b><u>Liabilities</u></b>                   |                         |
| <b><u>Current Liabilities</u></b>           |                         |
| Accounts payable and accrued liabilities    | \$ 13,016,966           |
| Customer deposits                           | 677,816                 |
| Accrued interest                            | 890,841                 |
| Compensated absences - current              | 283,022                 |
| Long-term liabilities due within one year   | 4,637,369               |
| <b>Total Current Liabilities</b>            | <b>19,506,014</b>       |
| <b><u>Noncurrent Liabilities</u></b>        |                         |
| Compensated absences - noncurrent           | 196,578                 |
| Long-term liabilities in more than one year | 109,890,955             |
| Net pension liability                       | 1,878,602               |
| <b>Total Noncurrent Liabilities</b>         | <b>111,966,135</b>      |
| <b>Total Liabilities</b>                    | <b>131,472,149</b>      |
| <b><u>Net Position</u></b>                  |                         |
| Net investment in capital assets            | 28,828,601              |
| Unrestricted                                | 4,842,514               |
| <b>Total Net Position</b>                   | <b>\$ 33,671,115</b>    |

See Notes to Financial Statements.

# City of Denison, Texas

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

For the Year Ended September 30, 2023

|                                                | Utility<br>Fund      |
|------------------------------------------------|----------------------|
| <b><u>Operating Revenues</u></b>               |                      |
| Charges for services                           | \$ 18,895,500        |
| Other revenue                                  | 72,567               |
| <b>Total Operating Revenues</b>                | <b>18,968,067</b>    |
| <b><u>Operating Expenses</u></b>               |                      |
| Personnel services                             | 4,845,852            |
| Supplies and materials                         | 1,634,981            |
| Contractual services                           | 1,795,847            |
| Repairs and maintenance                        | 1,458,526            |
| Depreciation                                   | 1,981,781            |
| <b>Total Operating Expenses</b>                | <b>11,716,987</b>    |
| <b>Operating Income</b>                        | <b>7,251,080</b>     |
| <b><u>Nonoperating Revenues (Expenses)</u></b> |                      |
| Intergovernmental                              | 204,482              |
| Investment income                              | 2,068,107            |
| Gain (loss) on sale of capital asset           | 127,006              |
| Bond issuance expense                          | (448,417)            |
| Interest expense                               | (3,128,944)          |
| <b>Total Nonoperating Revenues (Expenses)</b>  | <b>(1,177,766)</b>   |
| <b>Income Before Transfers</b>                 | <b>6,073,314</b>     |
| Transfers (out)                                | (3,022,404)          |
| <b>Total Transfers</b>                         | <b>(3,022,404)</b>   |
| <b>Change in Net Position</b>                  | <b>3,050,910</b>     |
| Beginning net position                         | 30,620,205           |
| <b>Ending Net Position</b>                     | <b>\$ 33,671,115</b> |

See Notes to Financial Statements.

# City of Denison, Texas

## STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 1 of 2) For the Year Ended September 30, 2023

|                                                                             | Utility<br>Fund      |
|-----------------------------------------------------------------------------|----------------------|
| <b><u>Cash Flows from Operating Activities</u></b>                          |                      |
| Receipts from customers                                                     | \$ 18,570,381        |
| Payments to suppliers and service providers                                 | (4,889,354)          |
| Payments to employees for salaries and benefits                             | (4,525,163)          |
| <b>Net Cash Provided by Operating Activities</b>                            | <b>9,155,864</b>     |
| <b><u>Cash Flows from Noncapital Financing Activities</u></b>               |                      |
| Transfers (out)                                                             | (3,022,404)          |
| <b>Net Cash (Used) by Noncapital Financing Activities</b>                   | <b>(3,022,404)</b>   |
| <b><u>Cash Flows from Capital and Related Financing Activities</u></b>      |                      |
| Capital purchases                                                           | (30,026,411)         |
| Proceeds from sale of capital assets                                        | 307,916              |
| Proceeds from bond issuance                                                 | 42,748,107           |
| Intergovernmental revenues from BICD                                        | 204,482              |
| Bond issuance costs paid                                                    | (448,417)            |
| Principal paid on debt                                                      | (3,663,158)          |
| Interest paid on debt                                                       | (3,229,518)          |
| <b>Net Cash Provided (Used) by Capital and Related Financing Activities</b> | <b>5,893,001</b>     |
| <b><u>Cash Flows from Investing Activities</u></b>                          |                      |
| Interest on investments                                                     | 2,068,107            |
| Proceeds from sales and maturities of investments                           | 404,116              |
| <b>Net Cash Provided by Investing Activities</b>                            | <b>2,472,223</b>     |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                 | <b>14,498,684</b>    |
| Beginning cash and cash equivalents                                         | 33,729,261           |
| <b>Ending Cash and Cash Equivalents</b>                                     | <b>\$ 48,227,945</b> |

See Notes to Financial Statements.

# City of Denison, Texas

## STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 2 of 2) For the Year Ended September 30, 2023

|                                                                             | <u>Utility<br/>Fund</u>     |
|-----------------------------------------------------------------------------|-----------------------------|
| <b><u>Reconciliation of Operating Income</u></b>                            |                             |
| <b><u>to Net Cash Provided by Operating Activities</u></b>                  |                             |
| Operating Income                                                            | \$ 7,251,080                |
| Adjustments to reconcile operating<br>income to net cash provided:          |                             |
| Depreciation                                                                | 1,981,781                   |
| <b>Changes in Operating Assets and Liabilities:</b>                         |                             |
| <b>(Increase) Decrease in:</b>                                              |                             |
| Accounts receivable                                                         | (401,479)                   |
| Inventory                                                                   | 3,793                       |
| Deferred Outflows of Resources:                                             |                             |
| Pension contributions                                                       | (24,816)                    |
| Actual experience vs. assumption                                            | (102,292)                   |
| <b>Increase (Decrease) in:</b>                                              |                             |
| Accounts payable and accrued liabilities                                    | 36,222                      |
| Compensated absences                                                        | 85,520                      |
| Net pension liability                                                       | 2,469,883                   |
| Deferred Inflows of Resources:                                              |                             |
| Pension investment returns                                                  | (2,154,942)                 |
| Difference in experience                                                    | 11,114                      |
| <b>Net Cash Provided by Operating Activities</b>                            | <u><u>\$ 9,155,864</u></u>  |
| <b><u>Schedule of Non-Cash Capital and Related Financing Activities</u></b> |                             |
| Change in capital related accrued liabilities                               | \$ 11,242,823               |
| Acquisition of right-to-use assets                                          | 814,446                     |
| <b>Total</b>                                                                | <u><u>\$ 12,057,269</u></u> |

See Notes to Financial Statements.

# City of Denison, Texas

## STATEMENT OF NET POSITION

### FIDUCIARY FUNDS

September 30, 2023

|                                                       |                           | <b>Custodial<br/>Funds</b> |
|-------------------------------------------------------|---------------------------|----------------------------|
| <b><u>Assets</u></b>                                  |                           |                            |
| Cash and cash equivalents                             |                           | \$ 75,552                  |
|                                                       | <b>Total Assets</b>       | <u>75,552</u>              |
| <b><u>Net Position</u></b>                            |                           |                            |
| Restricted for organizations<br>and other governments |                           | 75,552                     |
|                                                       | <b>Total Net Position</b> | <u>\$ 75,552</u>           |

# City of Denison, Texas

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND

For the Year Ended September 30, 2023

|                          |                               | Custodial<br>Funds      |
|--------------------------|-------------------------------|-------------------------|
| <b><u>Additions</u></b>  |                               |                         |
| Contributions            |                               | \$ 28,803               |
|                          | <b>Total Additions</b>        | <u>28,803</u>           |
| <b><u>Deductions</u></b> |                               |                         |
| Intergovernmental        |                               | 41,479                  |
|                          | <b>Total Deductions</b>       | <u>41,479</u>           |
|                          | <b>Change in Net Position</b> | (12,676)                |
| Beginning net position   |                               | 88,228                  |
|                          | <b>Ending Net Position</b>    | <u><u>\$ 75,552</u></u> |



# City of Denison, Texas

## NOTES TO FINANCIAL STATEMENTS

September 30, 2023

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Denison, Texas (the “City”) is governed by an elected mayor and a six-member council and provides the following services to the citizens of the City as authorized by its charter: public safety (police and fire), public works and transportation, parks and recreation, water and sewer utilities, and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) applicable to government units. The following is a summary of the more significant accounting policies.

#### A. Description of Government-Wide Financial Statements

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

#### B. Reporting Entity

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. For financial reporting purposes, management has considered all potential component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used are as follows:

Financial Accountability – The primary government is deemed to be financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**Discretely Presented Component Units**

Business and Industrial Corporation of Denison

The Business and Industrial Corporation of Denison (the "BICD") is a nonprofit corporation established on April 1, 1996, for the economic development activities of the City. Although legally separate from the City, BICD is governed by a Board of Directors appointed by the City Council. BICD is a single-purpose, governmental activity funded by one-half percent sales tax levied on taxable sales within the City of Denison. The nature and significance of the relationship between the primary government and the corporation is such that exclusion would cause the City's financial statements to be misleading or incomplete. Records are maintained on an October 1st through September 30th fiscal year. BICD issues separate financial statements that are available from the BICD administrative offices located at 311 W. Woodard, Denison, Texas. In addition, the fiscal year 2023 financials were audited by a separate audit firm, McClanahan & Homes.

Denison Community Investment Corporation

The Denison Community Investment Corporation (the "DCIC") is a nonprofit corporation established on June 17, 1988, for the economic development activities of the City. Although legally separate from the City, DCIC is governed by a Board of Trustees appointed by the City Council. DCIC is a single-purpose, business-type activity. The nature and significance of the relationship between the primary government and the corporation is such that exclusion would cause the City's financial statements to be misleading or incomplete. Records are maintained on a calendar year basis, ending December 31, 2022. DCIC issues separate financial statements that are available from the DCIC administrative offices located at 123 W. Main, Denison, Texas.

Denison Public Library Endowment Fund

The Denison Public Library Endowment Fund (the "Fund") is a 501(c)(3) nonprofit corporation established on January 17, 1986, for the purpose of maintaining, development, and promoting the Denison Public Library. A Board of Trustees appointed by the City Council governs the Fund. The nature and significance of the relationship between the primary government and the corporation is such that exclusion would cause the City's financial statements to be misleading or incomplete. Records are maintained on an October 1<sup>st</sup> through September 30<sup>th</sup> fiscal year. The fund does not issue separate financial statements.

# City of Denison, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2023

#### **Blended Component Units**

##### Tax Increment Reinvestment Zone

The City created the Tax Increment Financing Reinvestment Zone Fund (the "TIRZ") to encourage and accelerate planned development of a certain contiguous geographic area within its jurisdiction and extra-territorial jurisdiction. Of the five-member Board of Directors four are appointed by the Denison City Council and one member shall be appointed by the County Commissioners Court of Grayson. Any future debt obligations issued and backed by the TIRZ are to be repaid from property tax levies, based on the incremental increase in the real property values from the base year.

The TIRZ Board of Directors acts primarily in an advisory role to the City Council, who exercise the ultimate financial control over the recommendations of the TIRZ board, including its budget and expenditures. The financial information of the TIRZ is blended as a governmental fund into the primary government. Separate financial statements are not prepared.

##### Mr. and Mrs. Charles H. Jones Memorial Library Trust

The Mr. and Mrs. Charles H. Jones Memorial Library Trust (the "Trust") is a private foundation established on October 16, 1962, for the purpose of purchasing books and providing capital improvements for the Denison Public Library. The Denison Public Library is the sole recipient and beneficiary of the Trust. The Trust's accounting records are maintained by the Simmons Bank (Trustee) located at 2820 West FM 120, Denison, Texas. As the trust is managed by the City it has been reported as a blended component unit.

#### **Joint Venture**

##### Texoma Area Solid Waste Authority

Joint Ventures are legal entities or other organizations that result from a contractual arrangement that are owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control. The participants retain either an ongoing financial interest or an ongoing financial responsibility. The City's only joint venture is described as follows:

Texoma Area Solid Waste Authority ("TASWA") was created by the City and other local governments in Cook and Grayson counties in May 2000 to develop and operate a municipal landfill for benefit of local governments and their constituents. The City's Mayor serves as one of five-member of TASWA's Board of Directors; however, the City has no significant influence over TASWA's administration or operation. Furthermore, the City does not hold an equity interest in TASWA.

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**Jointly-Governed Entity**

Greater Texoma Utility Authority

Jointly-governed entities are legal entities that are jointly controlled, but the controlling parties do not retain an ongoing financial interest or responsibility. Greater Texoma Utility Authority ("GTUA") was created to assist local governments with the financing and construction of water, sewer, and solid waste facilities. The City Council appoints three members of GTUA's nine-member Board of Directors; however, the City has no significant influence over GTUA's administration or operations.

GTUA operates the Dipping Springs Landfill under contract with the cities of Denison and Sherman. During the year, the City paid GTUA \$12,533 for landfill post-closure costs.

GTUA issues separate audited financial statements that are available from GTUA's administrative offices located at 5100 Airport Drive, Denison, Texas.

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

The government reports the following major governmental funds:

**Governmental Funds**

Governmental funds are those funds through which most governmental functions are typically financed.

**General Fund**

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

**General Interest and Sinking Fund**

The general bond fund is used to set aside funds for payment of debt services for the City.

**Proprietary Fund Types**

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB). The proprietary fund types used by the City include enterprise funds.

The government reports the following major enterprise fund:

**Utility Fund**

This fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water production and distribution system, water collection and treatment systems. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

Additionally, the City reports for the following fund types:

**Debt Service Fund**

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

**Special Revenue Funds**

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund.

**Fiduciary Funds**

The police seizure fund accounts for assets seized by the police department in which the City holds in a custodial capacity. The sister city fund accounts for assets donated to a local nonprofit which the City holds in a custodial capacity.

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

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

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of

# City of Denison, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2023

resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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

Proprietary, pension and other postemployment benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Custodial funds use the economic resources measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

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

**1. Deposits and Investments**

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

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

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

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

**2. Fair Value**

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

**3. Receivables and Interfund Transactions**

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



# City of Denison, Texas

## *NOTES TO FINANCIAL STATEMENTS, Continued*

### September 30, 2023

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

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

#### **4. Property Taxes**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

#### **5. Inventories and Prepaid Items**

The costs of governmental fund type inventories are recorded as expenditures when they are utilized rather than when purchased, (i.e., the consumption method). The inventories are reported at cost using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

#### **6. Restricted Assets**

Certain proceeds of governmental and enterprise fund cash and investments are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants, legal restrictions, or restrictions in place by outside parties.

#### **7. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

| <b>Asset Description</b> | <b>Estimated<br/>Useful Years</b> |
|--------------------------|-----------------------------------|
| Infrastructure           | 10-100                            |
| Buildings                | 50                                |
| Building Improvements    | 20-40                             |
| Vehicles                 | 5-15                              |
| Machinery & Equipment    | 7-20                              |

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows / inflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has two items that qualify for reporting in this category. They are the deferred pension contributions which are required to convert the fiscal year contributions to the calendar year 2023 and the deferred investment earnings which represent investment return over/under expectation. Both are reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government records deferred inflows for the difference in expected and actual actuarial gains and losses of the pension liability. This item is only recorded on the full accrual basis. In addition, the government records a deferred inflow, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines and forfeitures and ambulance fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**9. Net Position Flow Assumption**

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

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**10. Fund Balance Flow Assumptions**

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

**11. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In

# City of Denison, Texas

## *NOTES TO FINANCIAL STATEMENTS, Continued*

### September 30, 2023

other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. A summary of the City's fund balance policy as adopted by the Council follows: The City shall maintain an unassigned fund balance between sixty and ninety days of general fund expenditures, and between sixty and ninety days of utility fund expenditures. The City will also contribute 5% of sales tax receipts to a "rainy-day" fund for general fund purposes, and 5% of utility sales to a "capital project" fund for business activity related capital needs. The City is currently in compliance with these policies.

#### **12. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and the Denison Firemen's Relief and Retirement Fund and additions to/deductions from the Fiduciary Net Position have been determined on the same basis as they are reported by pension funds. 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. The City uses the General Fund and Utility Fund to liquidate pension liabilities.

#### **13. Compensated Absences**

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

The maximum accrual of vacation leave is 240 hours for all non-civil service employees, civil service fire and police administration employees, and shift police civil service employees. Fire shift civil service employees may accrue vacation leave up to a maximum of 360 hours.

All civil service police and fire personnel accrue sick leave in accordance with Local Government Code 143. All non-civil service personnel who meet the definition of retirement

# City of Denison, Texas

## *NOTES TO FINANCIAL STATEMENTS, Continued*

### September 30, 2023

under the Texas Municipal Retirement System at time of separation will receive a lump sum payment of accrued, but unused sick leave not to exceed 720 hours.

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

#### **14. Long-Term Obligations**

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

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

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and deferred charges are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

#### **15. Estimates**

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

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**16. Leases**

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

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

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

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

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

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

Lessor: The City is a lessor for a noncancellable lease. 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.

# City of Denison, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2023

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

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

The City monitors changes in circumstances that would require a remeasurement of its 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.

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

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

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

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

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

## III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, general bond, special revenue, and utility funds. The City adopted budgets for all governmental special revenue funds with the exception of Community Development Operating, Mr. & Mrs. Jones Memorial Trust, and Opioid Remediation funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

level of control as defined by the City Charter is the division level for the general fund. For all other fund budgets, the legal level of control is the fund level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. Several supplemental budget appropriations were made during the year.

**A. Expenditures Exceeding Appropriations**

As of September 30, 2023, expenditures exceeded appropriations at the legal level of control as follows:

|                                       |            |
|---------------------------------------|------------|
| Tax Increment Reinvestment Zone Fund: |            |
| Total expenditures:                   | \$ 574,174 |
| Denison Public Library fund:          |            |
| Total expenditures:                   | \$ 7,391   |
| Fire Training fund:                   |            |
| Public safety                         | \$ 3,814   |
| Special Events fund:                  |            |
| Public works                          | \$ 17,934  |
| Fire Training:                        |            |
| Public safety                         | \$ 3,814   |
| Homeland Security Grant fund:         |            |
| Total expenditures                    | \$ 2,067   |
| Canine fund:                          |            |
| Transfers (out)                       | \$ 1,583   |
| Police Training fund:                 |            |
| Total expenditures                    | \$ 1,254   |
| TASWA Reserve Fund:                   |            |
| Total expenditures                    | \$ 103,873 |
| Project Participation Fund:           |            |
| Capital outlay                        | 8,914      |



**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

Hotel Occupancy Tax Fund:

Transfers (out) \$ 238,412

**B. Deficit Fund Equity**

The community development operating fund had a deficit fund balance of \$9,801 as of September 30, 2023. This deficit will be replenished in the subsequent periods.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of September 30, 2023, the primary government had the following investments:

| Investment Type                     | Value         | Weighted<br>Average Maturity<br>(Years) |
|-------------------------------------|---------------|-----------------------------------------|
| Certificates of deposit             | \$ 807,438    | 0.25                                    |
| External investment pools           | 35,754,827    | 0.08                                    |
| Total value                         | \$ 36,562,265 |                                         |
| Portfolio weighted average maturity |               | 0.08                                    |

As of September 30, 2023, the component units had the following investments:

Denison Business and Industrial Corporation

| Investment Type         | Value        | Weighted<br>Average Maturity<br>(Years) |
|-------------------------|--------------|-----------------------------------------|
| Certificates of deposit | \$ 2,024,894 | N/A                                     |
| Total value             | \$ 2,024,894 |                                         |

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

As of September 30, 2023, the component units had the following investments:

Denison Community Investment Corporation

| <b>Investment Type</b>              | <b>Value</b>      | <b>Weighted<br/>Average Maturity<br/>(Years)</b> |
|-------------------------------------|-------------------|--------------------------------------------------|
| Certificates of deposit*            | \$ 240,000        | 0.46                                             |
| Total value                         | <u>\$ 240,000</u> |                                                  |
| Portfolio weighted average maturity |                   | 0.46                                             |

Denison Public Library Endowment Fund

| <b>Investment Type</b>              | <b>Value</b>      | <b>Weighted<br/>Average Maturity<br/>(Years)</b> |
|-------------------------------------|-------------------|--------------------------------------------------|
| Bonds                               | \$ 273,978        | 2.18                                             |
| Stocks                              | 373,786           | 0.00                                             |
| Alternatives fund                   | 7,985             | 0.00                                             |
| Total value                         | <u>\$ 655,749</u> |                                                  |
| Portfolio weighted average maturity |                   | 0.85                                             |

\*Note: As of December 31, 2022

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

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

*Custodial credit risk – deposits* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the

# City of Denison, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2023

deposits. As of September 30, 2023, the market values of pledged securities and FDIC exceeded bank balances.

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

#### **TexSTAR**

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated AAAM by Standard & Poor's. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

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

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

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

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

The following table sets forth by level, within the fair value hierarchy, the component unit's fair value measurements at September 30, 2023:

|                                   | <b>Fair Value</b> | <b>Level 1 Inputs</b> | <b>Level 2 Inputs</b> | <b>Level 3 Inputs</b> |
|-----------------------------------|-------------------|-----------------------|-----------------------|-----------------------|
| Bonds                             | \$ 273,978        | \$ 273,978            | \$ -                  | \$ -                  |
| Stocks                            | 373,786           | 373,786               | -                     | -                     |
| Alternatives                      | 7,985             | 7,985                 | -                     | -                     |
| <b>Total Assets at fair value</b> | <b>\$ 655,749</b> | <b>\$ 655,749</b>     | <b>\$ -</b>           | <b>\$ -</b>           |

**C. Receivables**

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

|                        | <b>General</b>      | <b>General<br/>Interest &amp;<br/>Sinking</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Utility</b>      | <b>Total</b>         |
|------------------------|---------------------|-----------------------------------------------|--------------------------------------------|---------------------|----------------------|
| Property taxes         | \$ 624,993          | \$ 95,587                                     | \$ -                                       | \$ -                | \$ 720,580           |
| Sales tax              | 1,418,210           | -                                             | -                                          | -                   | 1,418,210            |
| Franchise taxes        | 56,302              | -                                             | -                                          | -                   | 56,302               |
| Hotel taxes            | -                   | -                                             | 69,611                                     | -                   | 69,611               |
| Fines                  | 932,835             | -                                             | -                                          | -                   | 932,835              |
| Ambulance              | 1,562,839           | -                                             | -                                          | -                   | 1,562,839            |
| Accounts               | 1,018,135           | -                                             | 84,756                                     | 2,825,028           | 3,927,919            |
| Grant receivable       | 1,587,038           | -                                             | -                                          | -                   | 1,587,038            |
| Notes receivable - DDA | -                   | 4,685,000                                     | -                                          | -                   | 4,685,000            |
| Allowance              | (1,706,135)         | (4,566)                                       | (185)                                      | (7,299)             | (1,718,185)          |
|                        | <b>\$ 5,494,217</b> | <b>\$ 4,776,021</b>                           | <b>\$ 154,182</b>                          | <b>\$ 2,817,729</b> | <b>\$ 13,242,149</b> |

2. Receivables - BICD

The accounts receivable of the discretely presented component unit, BICD, represent amounts due from the grant receivable balance of \$965,895, in addition to the sales tax receivable allocated from the City of Denison upon receipt by the City of its payment from the State. At year end, the August and September sales tax payments were outstanding, amounting to \$20,300.

**D. Notes Receivable**

1. The City's discretely presented component unit, Denison Community Investment Corporation ("DCIC"), issues notes receivable to local businesses.

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

As of December 31, 2022 (the most recently available date), the outstanding note receivable balances were as follows:

| Description                            | Interest Rate | Beginning Balance   | Additions        | Refunds/<br>Collections | Ending Balance      | Amounts             |
|----------------------------------------|---------------|---------------------|------------------|-------------------------|---------------------|---------------------|
|                                        |               |                     |                  |                         |                     | Due within One Year |
| RMJ Likarish - 331 W. Woodard          | 4.00%         | \$ 77,262           | \$ -             | \$ (11,238)             | \$ 66,024           | \$ 11,696           |
| Nitia, Inc                             | 4.00%         | 34,686              | -                | (16,796)                | 17,890              | 17,480              |
| Parker - Ivahoe Ale House              | 5.00%         | 123,957             | -                | -                       | 123,957             | 2,807               |
| Parker - Ivahoe Ale House (add'l loan) | 5.00%         | 19,548              | -                | -                       | 19,548              | 443                 |
| Gaytan Restaurants                     | 4.00%         | 48,110              | -                | (14,257)                | 33,853              | 12,540              |
| Sport City Café, LLC                   | 4.00%         | 86,932              | -                | (12,509)                | 74,423              | 13,017              |
| Bohemian Taco, LLC                     | 4.00%         | 84,425              | -                | (7,044)                 | 77,381              | 7,984               |
| Railyard Incubator, LLC                | 5.00%         | 348,860             | -                | (34,364)                | 314,496             | 35,942              |
| Likarish Enterprises, Inc.             | 4.00%         | 232,737             | -                | (21,455)                | 211,282             | 22,329              |
| Split Window Production, LLC           | 4.00%         | 114,139             | -                | (10,296)                | 103,843             | 10,715              |
| Silvia Rios                            | 4.00%         | 97,955              | -                | (7,672)                 | 90,283              | 9,437               |
| Denison Chamber of Commerce            | 3.00%         | -                   | 20,000           | (2,180)                 | 17,820              | 3,506               |
| <b>Total Notes Receivable</b>          |               | <b>\$ 1,268,611</b> | <b>\$ 20,000</b> | <b>\$ (137,811)</b>     | <b>\$ 1,150,800</b> | <b>\$ 147,896</b>   |

All notes issued by DCIC are fully secured by either real estate property or personal property, such as machinery and equipment which all have uniform commercial code filings with the state.

- The City entered into an agreement with a discretely presented component unit, the BICD. The City agreed to issue bonds to assist the BICD in the demolition of property. The BICD agreed to pay the full debt service of the \$4,600,000 Certificates of Obligation, Series 2022B. In addition, because the BICD needed a new sewer line constructed, and the City had not planned to start that project for another couple of years, the BICD agreed to pay the first three years of the \$250,000 Certificates of Obligation, Series 2022A, used to fund the sewer line replacement.

As of September 30, 2023, the City has a note receivable balance of \$4,685,000 in the government-wide statements, which represents the total principal due for the series 2022B issued Certificates of Obligation, for the use of the BICD demolition project. The principal balance less the amount of demolition and bond issuance costs paid through yearend has been reflected as a fully deferred receivable at the governmental fund level. As of September 30, 2023, the balance due from the BICD is \$3,719,51 and is reflected as a deferred inflow in the balance sheet for governmental funds. The difference between the note receivable and deferred inflow represents the net amount due to the BICD for demolition costs, plus earned interest on held accounts of \$46,968, amounting to a total of \$965,849 as of yearend.

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**E. Grant Receivable**

On November 16, 2015, the City entered into a public/private partnership agreement to develop and build a sports complex and related facilities, with the Texoma Health Foundation (THF). The City agreed to contribute approximately \$8 million to the project. THF is to contribute \$7,935,192 over 10 years starting in 2016. Payments are split equally in the amount of \$793,519. The payments commenced in January of 2016 and terminate in January of 2025. The City received the seventh payment of \$793,519 during the year, leaving a remaining receivable balance of \$1,587,038.

**F. Capital Assets**

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

|                                            | <b>Beginning<br/>Balances</b> | <b>Increases</b>           | <b>Decreases/<br/>Reclassifications</b> | <b>Ending<br/>Balances</b>  |
|--------------------------------------------|-------------------------------|----------------------------|-----------------------------------------|-----------------------------|
| Capital assets, not being depreciated:     |                               |                            |                                         |                             |
| Land                                       | \$ 5,219,380                  | \$ 25,000                  | \$ -                                    | \$ 5,244,380                |
| Construction in progress                   | 12,597,693                    | 2,559,466                  | (1,331,888)                             | 13,825,271                  |
| Total capital assets not being depreciated | <u>17,817,073</u>             | <u>2,584,466</u>           | <u>(1,331,888)</u>                      | <u>19,069,651</u>           |
| Capital assets, being depreciated:         |                               |                            |                                         |                             |
| Buildings and improvements                 | 30,787,590                    | 196,641                    | 1,331,888                               | 32,316,119                  |
| Infrastructure                             | 33,760,135                    | -                          | -                                       | 33,760,135                  |
| Right-to-use assets                        | 1,416,428                     | 1,952,085                  | (199,155)                               | 3,169,358                   |
| Equipment                                  | 21,491,454                    | 3,090,194                  | (857,262)                               | 23,724,386                  |
| Total capital assets being depreciated     | <u>87,455,607</u>             | <u>5,238,920</u>           | <u>275,471</u>                          | <u>92,969,998</u>           |
| Less accumulated depreciation              |                               |                            |                                         |                             |
| Buildings and improvements                 | (7,036,000)                   | (746,909)                  | -                                       | (7,782,909)                 |
| Infrastructure                             | (16,735,908)                  | (464,958)                  | 629,196                                 | (16,571,670)                |
| Right-to-use assets                        | (205,444)                     | (318,131)                  | 74,569                                  | (449,006)                   |
| Equipment                                  | (10,942,784)                  | (1,219,235)                | -                                       | (12,162,019)                |
| Total accumulated depreciation             | <u>(34,920,136)</u>           | <u>(2,749,233)</u>         | <u>703,765</u>                          | <u>(36,965,604)</u>         |
| Net capital assets being depreciated       | 52,535,471                    | 2,489,687                  | 979,236                                 | 56,004,394                  |
| <b>Total Capital Assets</b>                | <u><u>\$ 70,352,544</u></u>   | <u><u>\$ 5,074,153</u></u> | <u><u>\$ (352,652)</u></u>              | <u><u>\$ 75,074,045</u></u> |

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

Depreciation was charged to governmental functions as follows:

|                                                           |                            |
|-----------------------------------------------------------|----------------------------|
| General government                                        | \$ 468,274                 |
| Public safety                                             | 799,119                    |
| Public works                                              | 1,454,435                  |
| Community services                                        | 27,405                     |
| <b>Total Governmental Activities Depreciation Expense</b> | <b><u>\$ 2,749,233</u></b> |

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

|                                            | <b>Beginning<br/>Balances</b> | <b>Increases</b>            | <b>Decreases/<br/>Reclassifications</b> | <b>Ending<br/>Balances</b>   |
|--------------------------------------------|-------------------------------|-----------------------------|-----------------------------------------|------------------------------|
| Capital assets, not being depreciated:     |                               |                             |                                         |                              |
| Land                                       | \$ 543,719                    | \$ -                        | \$ -                                    | \$ 543,719                   |
| Construction in progress                   | 18,035,300                    | 40,559,435                  | (9,623,841)                             | 48,970,894                   |
| Total capital assets not being depreciated | <u>18,579,019</u>             | <u>40,559,435</u>           | <u>(9,623,841)</u>                      | <u>49,514,613</u>            |
| Capital assets, being depreciated:         |                               |                             |                                         |                              |
| Buildings and improvements                 | 26,269,865                    | 27,824                      | -                                       | 26,297,689                   |
| Infrastructure                             | 43,081,960                    | -                           | 9,545,603                               | 52,627,563                   |
| Right-to-use assets                        | 390,005                       | 814,446                     | (216,008)                               | 988,443                      |
| Machinery and equipment                    | 17,591,569                    | 681,975                     | (115,170)                               | 18,158,374                   |
| Total capital assets being depreciated     | <u>87,333,399</u>             | <u>1,524,245</u>            | <u>9,214,425</u>                        | <u>98,072,069</u>            |
| Less accumulated depreciation              |                               |                             |                                         |                              |
| Buildings and improvements                 | (9,650,358)                   | (549,743)                   | -                                       | (10,200,101)                 |
| Infrastructure                             | (15,601,618)                  | (583,462)                   | 153,826                                 | (16,031,254)                 |
| Right-to-use assets                        | (53,922)                      | (154,604)                   | 74,680                                  | (133,846)                    |
| Machinery and equipment                    | (8,555,444)                   | (693,972)                   | -                                       | (9,249,416)                  |
| Total accumulated depreciation             | <u>(33,861,342)</u>           | <u>(1,981,781)</u>          | <u>228,506</u>                          | <u>(35,614,617)</u>          |
| Net capital assets being depreciated       | 53,472,057                    | (457,536)                   | 9,442,931                               | 62,457,452                   |
| <b>Total Capital Assets</b>                | <b><u>\$ 72,051,076</u></b>   | <b><u>\$ 40,101,899</u></b> | <b><u>\$ (180,910)</u></b>              | <b><u>\$ 111,972,065</u></b> |

Depreciation was charged to business-type activities as follows:

|                                                            |                            |
|------------------------------------------------------------|----------------------------|
| Water                                                      | \$ 1,290,171               |
| Sewer                                                      | 691,610                    |
| <b>Total Business-Type Activities Depreciation Expense</b> | <b><u>\$ 1,981,781</u></b> |

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

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

|                                            | <b>Beginning<br/>Balances</b> | <b>Increases</b>           | <b>Decreases/<br/>Reclassifications</b> | <b>Ending<br/>Balances</b> |
|--------------------------------------------|-------------------------------|----------------------------|-----------------------------------------|----------------------------|
| Capital assets, not being depreciated:     |                               |                            |                                         |                            |
| Land                                       | \$ 1,699,343                  | \$ 38,865                  | \$ (206,526)                            | \$ 1,531,682               |
| Construction in progress                   | 2,728,301                     | 1,759,278                  | -                                       | 4,487,579                  |
| Total capital assets not being depreciated | <u>4,427,644</u>              | <u>1,798,143</u>           | <u>(206,526)</u>                        | <u>6,019,261</u>           |
| Capital assets, being depreciated:         |                               |                            |                                         |                            |
| Buildings and improvements                 | 4,488,456                     | -                          | (4,243,975)                             | 244,481                    |
| Infrastructure                             | 186,608                       | -                          | -                                       | 186,608                    |
| Right to use assets                        | 62,172                        | -                          | -                                       | 62,172                     |
| Machinery and equipment                    | 29,741                        | -                          | -                                       | 29,741                     |
| Total capital assets being depreciated     | <u>4,766,977</u>              | <u>-</u>                   | <u>(4,243,975)</u>                      | <u>523,002</u>             |
| Less accumulated depreciation              |                               |                            |                                         |                            |
| Buildings and improvements                 | (1,914,825)                   | (106,978)                  | 1,927,152                               | (94,651)                   |
| Infrastructure                             | (36,077)                      | (1,866)                    | -                                       | (37,943)                   |
| Right to use assets                        | (15,543)                      | (15,543)                   | -                                       | (31,086)                   |
| Machinery and equipment                    | (15,305)                      | (4,723)                    | -                                       | (20,028)                   |
| Total accumulated depreciation             | <u>(1,981,750)</u>            | <u>(129,110)</u>           | <u>1,927,152</u>                        | <u>(183,708)</u>           |
| Net capital assets being depreciated       | <u>2,785,227</u>              | <u>(129,110)</u>           | <u>(2,316,823)</u>                      | <u>339,294</u>             |
| <b>Total Capital Assets</b>                | <u><u>\$ 7,212,871</u></u>    | <u><u>\$ 1,669,033</u></u> | <u><u>\$ (2,523,349)</u></u>            | <u><u>\$ 6,358,555</u></u> |



**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**G. Other Long-term Liabilities**

Compensated absences represent the estimated liability for employees' accrued compensatory time and vacation leave for which employees are entitled to be paid upon termination. The following summarizes the changes in the compensated absences balances of the primary government during the year. In general, the City uses the general and utility funds to liquidate governmental and business-type activities compensated absences, respectively.

|                                                              | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Reductions</u>     | <u>Ending<br/>Balance</u> | <u>Amounts<br/>Due Within<br/>One Year</u> |
|--------------------------------------------------------------|------------------------------|---------------------|-----------------------|---------------------------|--------------------------------------------|
| <b>Governmental Activities:</b>                              |                              |                     |                       |                           |                                            |
| Compensated Absences                                         | \$ 3,120,403                 | \$ 2,311,001        | \$ (1,049,302)        | \$ 4,382,102              | \$ 1,534,400                               |
| <b>Total Governmental Activities</b>                         | <u>\$ 3,120,403</u>          | <u>\$ 2,311,001</u> | <u>\$ (1,049,302)</u> | <u>\$ 4,382,102</u>       | <u>\$ 1,534,400</u>                        |
| <b>Other Long-term Liabilities Due in More than One Year</b> |                              |                     |                       | <u>\$ 2,847,702</u>       |                                            |
| <b>Business-Type Activities:</b>                             |                              |                     |                       |                           |                                            |
| Compensated Absences                                         | \$ 394,080                   | \$ 323,540          | \$ (238,020)          | \$ 479,600                | \$ 283,022                                 |
| <b>Total Business-Type Activities</b>                        | <u>\$ 394,080</u>            | <u>\$ 323,540</u>   | <u>\$ (238,020)</u>   | <u>\$ 479,600</u>         | <u>\$ 283,022</u>                          |
| <b>Other Long-term Liabilities Due in More than One Year</b> |                              |                     |                       | <u>\$ 196,578</u>         |                                            |

The following is a summary of changes in the City's discretely presented component unit's, Denison Business and Industrial Corporation, compensated absences for the year ended September 30, 2023. The liability for compensated absences is fully liquidated by the general fund.

|                                                              | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending<br/>Balance</u> | <u>Amounts<br/>Due Within<br/>One Year</u> |
|--------------------------------------------------------------|------------------------------|------------------|-------------------|---------------------------|--------------------------------------------|
| <b>Component Unit Activities:</b>                            |                              |                  |                   |                           |                                            |
| Compensated Absences                                         | \$ 71,585                    | \$ 13,502        | \$ (6,980)        | \$ 78,107                 | \$ 7,811                                   |
| <b>Total Component Unit Activities</b>                       | <u>\$ 71,585</u>             | <u>\$ 13,502</u> | <u>\$ (6,980)</u> | <u>\$ 78,107</u>          | <u>\$ 7,811</u>                            |
| <b>Other Long-Term Liabilities Due in More Than One Year</b> |                              |                  |                   | <u>\$ 70,296</u>          |                                            |

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**Long-term Debt**

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

|                                                        | <b>Beginning<br/>Balance</b> | <b>Additions</b>     | <b>Reductions</b>     | <b>Ending<br/>Balance</b> | <b>Amounts<br/>Due within<br/>One Year</b> |
|--------------------------------------------------------|------------------------------|----------------------|-----------------------|---------------------------|--------------------------------------------|
| <b>Governmental Activities:</b>                        |                              |                      |                       |                           |                                            |
| Bonds, notes and other payables:                       |                              |                      |                       |                           |                                            |
| General obligation bonds                               | \$ 995,600                   | \$ -                 | \$ (323,000)          | \$ 672,600                | \$ 330,600                                 |
| Certificates of obligation                             | 33,793,716                   | 1,140,000            | (2,228,694)           | 32,705,022                | 2,356,351                                  |
| Less deferred amounts:                                 |                              |                      |                       |                           |                                            |
| For issuance premiums                                  | 2,401,468                    | -                    | (160,872)             | 2,240,596                 | -                                          |
| Note payable                                           | 709,000                      | -                    | (173,000)             | 536,000                   | 175,000                                    |
|                                                        | <u>37,899,784</u>            | <u>1,140,000</u>     | <u>(2,885,566)</u>    | <u>36,154,218</u>         | <u>2,861,951</u>                           |
| Other liabilities:                                     |                              |                      |                       |                           |                                            |
| Lease liabilities                                      | 6,396,833                    | 2,827,118            | (1,799,466)           | 7,424,485                 | 1,775,392                                  |
| Subscription liabilities                               | -                            | 28,511               | (9,925)               | 18,586                    | 9,089                                      |
| <b>Total Governmental Activities</b>                   | <u>\$ 44,296,617</u>         | <u>\$ 3,995,629</u>  | <u>\$ (4,694,957)</u> | <u>\$ 43,597,289</u>      | <u>\$ 4,646,432</u>                        |
| <b>Long-term liabilities due in more than one year</b> |                              |                      |                       | <u>\$ 38,950,857</u>      |                                            |
| <b>Business-Type Activities:</b>                       |                              |                      |                       |                           |                                            |
| Bonds, notes and other payables:                       |                              |                      |                       |                           |                                            |
| General obligation bonds                               | \$ 5,489,400                 | \$ -                 | \$ (837,000)          | \$ 4,652,400              | \$ 864,400                                 |
| Certificates of obligation                             | 62,626,289                   | 39,520,000           | (2,436,306)           | 99,709,983                | 3,503,649                                  |
| Less deferred amounts:                                 |                              |                      |                       |                           |                                            |
| For issuance discount                                  | (9,122)                      | -                    | 1,303                 | (7,819)                   | -                                          |
| For issuance premiums                                  | 6,393,329                    | 3,228,107            | (497,466)             | 9,123,970                 | -                                          |
|                                                        | <u>74,499,896</u>            | <u>42,748,107</u>    | <u>(3,769,469)</u>    | <u>113,478,534</u>        | <u>4,368,049</u>                           |
| Other liabilities:                                     |                              |                      |                       |                           |                                            |
| Lease liabilities                                      | 625,196                      | 728,912              | (360,077)             | 994,031                   | 242,054                                    |
| Subscription liabilities                               | -                            | 85,534               | (29,775)              | 55,759                    | 27,266                                     |
| <b>Total Business-Type Activities</b>                  | <u>\$ 75,125,092</u>         | <u>\$ 43,477,019</u> | <u>\$ (4,159,321)</u> | <u>\$ 114,528,324</u>     | <u>\$ 4,637,369</u>                        |
| <b>Long-term liabilities due in more than one year</b> |                              |                      |                       | <u>\$ 109,890,955</u>     |                                            |

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. In addition, leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset.

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

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

|                                                                                                                                           | <b>Governmental<br/>Activities</b> | <b>Business- Type<br/>Activities</b> | <b>Total</b>         |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------|----------------------|
| <b>General Obligation Bonds:</b>                                                                                                          |                                    |                                      |                      |
| \$3,442,800 General Obligation Refunding Bonds, Series 2013,<br>due in installments through 2025, interest at 2.75%                       | \$ 672,600                         | \$ 212,400                           | \$ 885,000           |
| \$3,060,000 General Obligation Refunding Bonds, Series 2019,<br>due in installments through 2028, interest at 3% to 5%                    | -                                  | 1,685,000                            | 1,685,000            |
| \$4,045,000 General Obligation Refunding Bonds, Series 2020,<br>due in installments through 2029, interest at 1.81%                       | -                                  | 2,755,000                            | 2,755,000            |
| <b>Total General Obligation Bonds</b>                                                                                                     | <b>\$ 672,600</b>                  | <b>\$ 4,652,400</b>                  | <b>\$ 5,325,000</b>  |
| <b>Certificates of Obligation:</b>                                                                                                        |                                    |                                      |                      |
| \$6,665,000 Comb Tax and Revenue Certificates of Obligation,<br>Series 2012, due in annual installments through 2028,<br>interest at 3%   | \$ -                               | \$ 2,345,000                         | \$ 2,345,000         |
| \$6,335,000 Comb Tax and Revenue Certificates of Obligation,<br>Series 2015, due in annual installments through 2035,<br>interest at 3-4% | -                                  | 4,475,000                            | 4,475,000            |
| \$2,240,000 Comb Tax and Rev. Certificates of Obligation,<br>Series 2013, due in annual installments through 2033,<br>interest at 2.75%   | 1,290,000                          | -                                    | 1,290,000            |
| \$7,475,000 Comb Tax and Rev. Certificates of Obligation,<br>Series 2016B, due in annual installments through 2026,<br>interest at 1.89%  | 2,400,000                          | -                                    | 2,400,000            |
| \$1,725,000 Comb Tax and Rev. Certificates of Obligation,<br>Series 2016A, due in annual installments through 2036,<br>interest at 3-5%   | -                                  | 1,290,000                            | 1,290,000            |
| \$2,855,000 Combination Tax & Limited Surplus Revenue<br>Certificates of Obligation, Series 2017B, through 2027, int. at 2.16%            | 1,220,000                          | -                                    | 1,220,000            |
| \$2,240,000 Comb Tax and Rev. Certificates of Obligation,<br>Series 2017A, through 2037, interest at 3%                                   | 2,252,693                          | -                                    | 2,252,693            |
| \$1,000,000 Comb Tax & Limited Surplus Rev. Certificates of<br>Obligation, Series 2018A, due through 2028, interest at 2.89%              | 540,000                            | -                                    | 540,000              |
| \$3,925,000 Combination Tax & Revenue Certificates of Obligation,<br>Series 2017B, through 2037, interest at 3%                           | -                                  | 3,002,310                            | 3,002,310            |
| <b>Subtotal</b>                                                                                                                           | <b>\$ 7,702,693</b>                | <b>\$ 11,112,310</b>                 | <b>\$ 18,815,003</b> |

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

|                                                                                                                                       | <u>Governmental<br/>Activities</u> | <u>Business- Type<br/>Activities</u> | <u>Total</u>                 |
|---------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------|------------------------------|
| <b>Certificates of Obligation (Continued):</b>                                                                                        |                                    |                                      |                              |
| \$7,255,000 Comb Tax & Limited Surplus Rev. Certificates of<br>Obligation, Series 2018, due through 2038, int. at 3.12% to 5.54%      | -                                  | 5,940,000                            | 5,940,000                    |
| \$5,255,000 Comb Tax & Limited Surplus Rev. Cert. of Obligation,<br>Series 2019, due through 2039, interest at 3% to 4%               | -                                  | 4,605,000                            | 4,605,000                    |
| \$2,450,000 Comb Tax & Limited Surplus Revenue Certificates of<br>Obligation, Series 2020A, due through 2030, interest at 1.86%       | 1,760,000                          | -                                    | 1,760,000                    |
| \$6,300,000 Comb Tax and Rev. Cert. of Obligation, Series 2020B,<br>due in annual installments through 2040, interest at 3% to 5%     | 5,638,300                          | -                                    | 5,638,300                    |
| \$3,935,000 Comb Tax and Rev. Cert. of Obligation, Series 2020B,<br>due in annual installments through 2040, interest at 3% to 5%     | -                                  | 3,521,700                            | 3,521,700                    |
| \$11,800,000 Comb. Tax & Rev. Cert. of Obligation, Series 2021B,<br>due in annual installments through 2040, interest at 3% to 4.879% | -                                  | 9,710,000                            | 9,710,000                    |
| \$15,940,000 Comb. Tax & Rev. Cert. of Obligation, Series 2021A,<br>due in annual installments through 2040, interest at 2% to 5.372% | 12,079,029                         | 3,580,973                            | 15,660,002                   |
| \$4,600,000 Comb Tax & Limited Surplus Rev. Cert. of Obligation,<br>Series 2022B, due through 2042, interest at 2.84% to 4.86%        | 4,490,000                          | -                                    | 4,490,000                    |
| \$22,165,000 Comb Tax & Limited Surplus Rev. Cert. of Obligation,<br>Series 2022A, due through 2042, interest at 3.5% to 5.0%         | -                                  | 21,720,000                           | 21,720,000                   |
| \$1,140,000 Comb Tax & Limited Suprlus Rev. Cert. of Obligation<br>Series 2022C, due through 2032, interest at 4.01%                  | 1,035,000                          | -                                    | 1,035,000                    |
| \$39,250,000 Comb Tax & Limited Surplus Rev. Cert. of Obligation<br>Series 2023, due through 2043, interest at 4% to 5%               | -                                  | 39,520,000                           | 39,520,000                   |
| <b>Total Certificates of Obligation</b>                                                                                               | <u>\$ 32,705,022</u>               | <u>\$ 99,709,983</u>                 | <u>\$ 132,415,005</u>        |
| <b>Less deferred amounts:</b>                                                                                                         |                                    |                                      |                              |
| Discounts and premiums                                                                                                                | \$ 2,240,596                       | \$ 9,116,151                         | \$ 11,356,747                |
| <b>Notes Payable:</b>                                                                                                                 |                                    |                                      |                              |
| \$1,550,000 Section 108 HUD loan, due in annual installments<br>through 2026, interest is variable                                    | 536,000                            | -                                    | 536,000                      |
| <b>Total Notes Payable</b>                                                                                                            | <u>\$ 536,000</u>                  | <u>\$ -</u>                          | <u>\$ 536,000</u>            |
| Lease liabilities                                                                                                                     | 7,424,485                          | 994,031                              | 8,418,516                    |
| Subscription liabilities                                                                                                              | 18,586                             | 55,759                               | 74,345                       |
| <b>Total Debt</b>                                                                                                                     | <u><u>\$ 43,597,289</u></u>        | <u><u>\$ 114,528,324</u></u>         | <u><u>\$ 158,125,613</u></u> |

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

The annual requirements to amortize general obligation bonds outstanding at year ending were as follows:

General Obligation Bonds

| Year ending<br>September 30, | Governmental Activities |                  | Business-Type Activities |                   | Total               |                   |
|------------------------------|-------------------------|------------------|--------------------------|-------------------|---------------------|-------------------|
|                              | Principal               | Interest         | Principal                | Interest          | Principal           | Interest          |
| 2024                         | \$ 330,600              | \$ 23,541        | \$ 864,400               | \$ 122,672        | \$ 1,195,000        | \$ 146,213        |
| 2025                         | 342,000                 | 11,970           | 878,000                  | 102,301           | 1,220,000           | 114,271           |
| 2026                         | -                       | -                | 785,000                  | 82,206            | 785,000             | 82,206            |
| 2027                         | -                       | -                | 810,000                  | 57,334            | 810,000             | 57,334            |
| 2028                         | -                       | -                | 835,000                  | 31,327            | 835,000             | 31,327            |
| 2029                         | -                       | -                | 480,000                  | 4,390             | 480,000             | 4,390             |
|                              | <u>\$ 672,600</u>       | <u>\$ 35,511</u> | <u>\$ 4,652,400</u>      | <u>\$ 400,230</u> | <u>\$ 5,325,000</u> | <u>\$ 435,741</u> |

The annual requirements to amortize certificates of obligations outstanding at year ending were as follows:

Combination Tax & Revenue Certificates of Obligation

| Year ending<br>September 30, | Governmental Activities |                     | Business-Type Activities |                      | Total                 |                      |
|------------------------------|-------------------------|---------------------|--------------------------|----------------------|-----------------------|----------------------|
|                              | Principal               | Interest            | Principal                | Interest             | Principal             | Interest             |
| 2024                         | \$ 2,356,351            | \$ 983,905          | \$ 3,503,649             | \$ 4,626,548         | \$ 5,860,000          | \$ 5,610,453         |
| 2025                         | 2,677,123               | 918,128             | 4,322,877                | 3,864,729            | 7,000,000             | 4,782,857            |
| 2026                         | 2,752,992               | 847,078             | 4,507,009                | 3,683,929            | 7,260,001             | 4,531,007            |
| 2027                         | 1,994,650               | 777,514             | 4,685,349                | 3,501,569            | 6,679,999             | 4,279,083            |
| 2028 - 2032                  | 8,724,071               | 2,910,414           | 24,550,929               | 14,405,571           | 33,275,000            | 17,315,985           |
| 2033 - 2037                  | 7,993,054               | 1,499,095           | 28,646,950               | 8,793,881            | 36,640,004            | 10,292,976           |
| 2038 - 2042                  | 6,206,781               | 396,064             | 26,488,220               | 3,136,238            | 32,695,001            | 3,532,302            |
| 2043                         | -                       | -                   | 3,005,000                | 63,856               | 3,005,000             | 63,856               |
|                              | <u>\$ 32,705,022</u>    | <u>\$ 8,332,198</u> | <u>\$ 99,709,983</u>     | <u>\$ 42,076,321</u> | <u>\$ 132,415,005</u> | <u>\$ 50,408,519</u> |

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

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

Lease Liabilities

| Year ending<br>September 30, | Governmental Activities |                   | Business-Type Activities |                  | Total               |                   |
|------------------------------|-------------------------|-------------------|--------------------------|------------------|---------------------|-------------------|
|                              | Principal               | Interest          | Principal                | Interest         | Principal           | Interest          |
| 2024                         | \$ 1,775,392            | \$ 227,843        | \$ 242,054               | \$ 32,515        | \$ 2,017,446        | \$ 260,358        |
| 2025                         | 1,503,876               | 178,309           | 233,407                  | 24,282           | 1,737,283           | 202,591           |
| 2026                         | 1,429,172               | 129,890           | 241,710                  | 15,980           | 1,670,882           | 145,870           |
| 2027                         | 1,103,225               | 84,017            | 174,923                  | 1,408            | 1,278,148           | 85,425            |
| 2028                         | 760,887                 | 49,345            | 101,937                  | -                | 862,824             | 49,345            |
| 2029-2033                    | 851,933                 | 74,067            | -                        | -                | 851,933             | 74,067            |
|                              | <u>\$ 7,424,485</u>     | <u>\$ 743,471</u> | <u>\$ 994,031</u>        | <u>\$ 74,185</u> | <u>\$ 8,418,516</u> | <u>\$ 817,656</u> |

The City entered into leases to finance the use of vehicles and office equipment. The property is classified as right to use asset with a total carrying value as of yearend for governmental activities and business-type activities of \$7,635,078 and \$982,563, respectively.

Subscription Liabilities

| Year ending<br>September 30, | Governmental Activities |                 | Business-Type Activities |                  | Total            |                  |
|------------------------------|-------------------------|-----------------|--------------------------|------------------|------------------|------------------|
|                              | Principal               | Interest        | Principal                | Interest         | Principal        | Interest         |
| 2024                         | \$ 9,089                | \$ 836          | \$ 27,266                | \$ 32,515        | \$ 36,355        | \$ 33,351        |
| 2025                         | 9,497                   | 427             | 28,493                   | 24,282           | 37,990           | 24,709           |
|                              | <u>\$ 18,586</u>        | <u>\$ 1,263</u> | <u>\$ 55,759</u>         | <u>\$ 56,797</u> | <u>\$ 74,345</u> | <u>\$ 58,060</u> |

The City entered into a licensing software agreement. The property is classified as right-to-use asset with a total carrying value as of year end for governmental activities and business activities of \$19,007 and \$57,023, respectively.

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

Notes Payable

| Year ending<br>September 30, | Governmental Activities |                  | Total             |
|------------------------------|-------------------------|------------------|-------------------|
|                              | Principal               | Interest         |                   |
| 2024                         | \$ 175,000              | \$ 14,776        | \$ 189,776        |
| 2025                         | 178,000                 | 10,107           | 188,107           |
| 2026                         | 183,000                 | 5,234            | 188,234           |
|                              | <u>\$ 536,000</u>       | <u>\$ 30,117</u> | <u>\$ 566,117</u> |

# City of Denison, Texas

## NOTES TO FINANCIAL STATEMENTS, Continued

### September 30, 2023

The following is a summary of changes in the City's discretely presented component unit's, Denison Business and Industrial Corporation, long-term liabilities for the year ended September 30, 2023.

|                                                        | Beginning<br>Balance | Additions   | Reductions          | Ending<br>Balance   | Amounts<br>Due within<br>One Year |
|--------------------------------------------------------|----------------------|-------------|---------------------|---------------------|-----------------------------------|
| <b>Component Unit Activities</b>                       |                      |             |                     |                     |                                   |
| Notes payable                                          | \$ 5,079,000         | \$ -        | \$ (239,000)        | \$ 4,840,000        | \$ 331,000                        |
| Lease liabilities                                      | 46,893               | -           | (15,418)            | 31,475              | 15,630                            |
| <b>Total Component Unit Activities</b>                 | <u>\$ 5,125,893</u>  | <u>\$ -</u> | <u>\$ (254,418)</u> | <u>\$ 4,871,475</u> | <u>\$ 346,630</u>                 |
| <b>Long-term liabilities due in more than one year</b> |                      |             |                     | <u>\$ 4,524,845</u> |                                   |

#### Notes Payable

| Year ending<br>September 30, | Component Unit Activities |                     | Total               |
|------------------------------|---------------------------|---------------------|---------------------|
|                              | Principal                 | Interest            |                     |
| 2024                         | \$ 331,000                | \$ 307,303          | \$ 638,303          |
| 2025                         | 344,000                   | 296,371             | 640,371             |
| 2026                         | 170,000                   | 183,265             | 353,265             |
| 2027                         | 180,000                   | 177,155             | 357,155             |
| Thereafter                   | 3,815,000                 | 1,506,545           | 5,321,545           |
|                              | <u>\$ 4,840,000</u>       | <u>\$ 2,470,639</u> | <u>\$ 7,310,639</u> |

#### Lease Liabilities

| Year ending<br>September 30, | Component Unit Activities |               | Total            |
|------------------------------|---------------------------|---------------|------------------|
|                              | Principal                 | Interest      |                  |
| 2024                         | \$ 15,630                 | \$ 332        | \$ 15,962        |
| 2025                         | 15,845                    | 117           | 15,962           |
|                              | <u>\$ 31,475</u>          | <u>\$ 449</u> | <u>\$ 31,924</u> |

In 2019, the BICD entered into a six-year lease agreement as lessee for the use of office space. An initial lease liability of \$62,172 was recorded. As of yearend, the value of the lease liability was \$31,475. BICD is required to make principal and interest payments of \$1,330. The interest rate was determined to be 1.364%. The property is classified as a right-to-use asset with a total carrying value of \$31,086.

# City of Denison, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2023

#### Landfill Closure and Post-closure Care Costs

The Cities of Sherman and Denison contracted with the Greater Texoma Utility Authority ("GTUA") for use of the Dripping Springs landfill. The City owns the permitted area but GTUA is responsible for the operation and maintenance. This landfill was considered full at September 30, 1993, for financial reporting purposes. State and Federal laws and regulations require the City of Denison to place a final cover on its Dripping Springs landfill site and to perform certain maintenance and monitoring functions at the site for up to thirty years after closure. The City is financially obligated for a portion of these costs related to gas and ground water monitoring. These costs were paid in full in the prior year.

#### **H. Deferred Charges on Refunding**

A deferred charge resulting from the issuance of the 2019 General Obligation Refunding Bonds has been recorded as a deferred outflow of resources and is being amortized to interest expense over the term of the refunded debt. The current year balance for business-type activities totaled \$23,370. Current year amortization for business-type activities was \$4,674.

#### **I. Intergovernmental Payable**

The following summarizes the intergovernmental payable balance due from the City to the Denison Business and Industrial Corporation as of the year ended September 30, 2023.

|                                      | Beginning<br>Balance | Additions   | Reductions            | Ending<br>Balance | Amounts<br>Due within<br>One Year |
|--------------------------------------|----------------------|-------------|-----------------------|-------------------|-----------------------------------|
| <b>Governmental Activities</b>       |                      |             |                       |                   |                                   |
| Intergovernmental payable            | \$ 2,325,038         | \$ -        | \$ (1,359,189)        | \$ 965,849        | \$ 965,849                        |
| <b>Total Governmental Activities</b> | <u>\$ 2,325,038</u>  | <u>\$ -</u> | <u>\$ (1,359,189)</u> | <u>\$ 965,849</u> | <u>\$ 965,849</u>                 |

#### **J. Interfund Transactions**

Transfers between the primary government funds during the 2023 year were as follows:

| Transfer Out:  | Transfer In:        |                     |                     | Total               |
|----------------|---------------------|---------------------|---------------------|---------------------|
|                | General             | General<br>I&S      | Nonmajor<br>Govt    |                     |
| Utility fund   | \$ 2,507,903        | \$ 259,501          | \$ 255,000          | \$ 3,022,404        |
| General        | -                   | -                   | 1,329,467           | 1,329,467           |
| Nonmajor govt. | 824,336             | 2,145,420           | 1,427               | 2,971,183           |
| <b>Total</b>   | <u>\$ 3,332,239</u> | <u>\$ 2,404,921</u> | <u>\$ 1,585,894</u> | <u>\$ 7,323,054</u> |

During the year, transfers are primarily used to allocate administrative and overhead costs between funds.



**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

The compositions of interfund balances as of year end were as follows:

| <b>Due from other funds<br/>(Receiving Fund):</b> | <b>Due to other funds<br/>(Payable Fund):</b> |
|---------------------------------------------------|-----------------------------------------------|
|                                                   | <b>Nonmajor</b>                               |
| General Fund                                      | \$ 9,801                                      |
| Utility Fund                                      | 66,213                                        |
| <b>Total</b>                                      | <b>\$ 76,014</b>                              |

The purpose of interfund receivables and payables is to loan cash between funds. All due to/from balances are expected to be settled within the next year.

**K. Restricted Fund Balance**

The City records restricted fund balance on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted fund balance for the governmental funds was \$18,160,697. Of which, \$210,260 is restricted by enabling legislation.

**V. OTHER INFORMATION**

**A. Risk Management**

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

**B. Contingent Liabilities**

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

**C. Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does anticipate that it will have an arbitrage liability and performs annual calculations to estimate this potential liability. The City will also engage an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations, if indicated.

**D. Defined Benefit Pension Plans**

**Texas Municipal Retirement System**

**1. Plan Description**

The City of Denison, Texas participates as one of 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

**2. Benefits Provided**

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

# City of Denison, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2023

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

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

Plan provisions for the City were as follows:

|                                                                      | <u>Plan Year 2021</u>    | <u>Plan Year 2022</u>    |
|----------------------------------------------------------------------|--------------------------|--------------------------|
| Employee deposit rate                                                | 7%                       | 7%                       |
| Matching ratio (city to employee)                                    | 2 to 1                   | 2 to 1                   |
| Years required for vesting                                           | 5                        | 5                        |
| Service retirement eligibility (expressed as age / years of service) | 60/5, 0/20               | 60/5, 0/20               |
| Updated service credit                                               | 100% Repeating Transfers | 100% Repeating Transfers |
| Annuity increase (to retirees)                                       | 30% of CPI               | 30% of CPI               |

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

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

|                                                                  |                   |
|------------------------------------------------------------------|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 208               |
| Inactive employees entitled to but not yet receiving benefits    | 216               |
| Active employees                                                 | <u>249</u>        |
| <b>Total</b>                                                     | <b><u>673</u></b> |

### **3. Contributions**

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

# City of Denison, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2023

Employees for the City of Denison, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Denison, Texas were 11.34% and 10.65% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$1,565,555, and were equal to the required contributions.

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

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

#### **Actuarial assumptions**

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

|                           |                                                                   |
|---------------------------|-------------------------------------------------------------------|
| Inflation                 | 2.5% per year                                                     |
| Overall payroll growth    | 2.75% per year                                                    |
| Investment Rate of Return | 6.75% net of pension plan investment expense, including inflation |

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

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

# City of Denison, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2023

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

| Asset Class                  | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------------|-------------------|-----------------------------------------------------|
| Global Public Equity         | 35.0%             | 7.7%                                                |
| Core Fixed Income            | 6.0%              | 4.9%                                                |
| Non-Core Fixed Income        | 20.0%             | 8.7%                                                |
| Other Public/Private Markets | 12.0%             | 8.1%                                                |
| Real Estate                  | 12.0%             | 5.8%                                                |
| Hedge Funds                  | 5.0%              | 6.9%                                                |
| Private Equity               | 10.0%             | 11.8%                                               |
| Total                        | 100.0%            |                                                     |

### Discount Rate

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

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**Changes in the Net Pension Liability (Asset)**

|                                                              | <b>Total Pension<br/>Liability (a)</b> | <b>Plan Fiduciary Net<br/>Position (b)</b> | <b>Net Pension<br/>Liability (Asset) (a)<br/>– (b)</b> |
|--------------------------------------------------------------|----------------------------------------|--------------------------------------------|--------------------------------------------------------|
| <b>Balance at 12/31/21</b>                                   | \$ 73,735,098                          | \$ 76,424,138                              | \$ (2,689,040)                                         |
| Changes for the year:                                        |                                        |                                            |                                                        |
| Service cost                                                 | 2,090,047                              | -                                          | 2,090,047                                              |
| Interest                                                     | 4,892,998                              | -                                          | 4,892,998                                              |
| Difference between expected and<br>actual experience         | 503,742                                | -                                          | 503,742                                                |
| Changes of assumptions                                       | -                                      | -                                          | -                                                      |
| Contributions – employer                                     | -                                      | 1,554,862                                  | (1,554,862)                                            |
| Contributions – employee                                     | -                                      | 958,737                                    | (958,737)                                              |
| Net investment income                                        | -                                      | (5,570,756)                                | 5,570,756                                              |
| Benefit payments, including<br>refunds of emp. contributions | (4,582,511)                            | (4,582,511)                                | -                                                      |
| Administrative expense                                       | -                                      | (48,275)                                   | 48,275                                                 |
| Other changes                                                | -                                      | 57,606                                     | (57,606)                                               |
| Net changes                                                  | 2,904,276                              | (7,630,337)                                | 10,534,613                                             |
| <b>Balance at 12/31/22</b>                                   | <u>\$ 76,639,374</u>                   | <u>\$ 68,793,801</u>                       | <u>\$ 7,845,573</u>                                    |

**Sensitivity of the Net Pension Liability (Asset) 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 (asset) 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:

| <b>1% Decrease<br/>5.75%</b> | <b>Current Single Rate<br/>Assumption 6.75%</b> | <b>1% Increase<br/>7.75%</b> |
|------------------------------|-------------------------------------------------|------------------------------|
| \$ 17,623,529                | \$ 7,845,573                                    | \$ (211,597)                 |

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at [www.tmrs.com](http://www.tmrs.com).

# City of Denison, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2023

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

For the year ended September 30, 2023, the City recognized pension expense for this plan of \$2,321,553.

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

|                                                             | <b>Deferred Outflows<br/>of Resources</b> |
|-------------------------------------------------------------|-------------------------------------------|
| Differences between expected and actual economic experience | \$ 287,560                                |
| Difference between projected and investment earnings        | 4,737,300                                 |
| Contributions subsequent to the measurement date            | 1,128,554                                 |
| <b>Total</b>                                                | <b>\$ 6,153,414</b>                       |

The City reported \$1,128,554 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

|                                |                     |
|--------------------------------|---------------------|
| <b>Year ended December 31:</b> |                     |
| 2023                           | \$ 270,978          |
| 2024                           | 1,321,626           |
| 2025                           | 1,286,379           |
| 2026                           | 2,145,877           |
| 2027                           | -                   |
| Thereafter                     | -                   |
|                                | <b>\$ 5,024,860</b> |

#### **Denison Firemen's Relief and Retirement Fund**

#### **6. Plan Description**

The Board of Trustees of the Fund is the administrator of the Fund, a single-employer defined benefit pension plan. The Fund is an independent entity for financial reporting purposes. The City of Denison, Texas is the only contributing employer. The members of the Fund also contribute to the Fund.

# City of Denison, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2023

The Fund is established under the authority of the Texas Local Fire Fighters' Retirement Act ("TLFFRA"). The Fund is administered by a Board of Trustees which is made up of three members elected from and by the Fund members, two representatives of the City of Denison, Texas, and two citizen members.

The Fund covers current and former fire fighters of the City of Denison, Texas, as well as certain beneficiaries of current and former fire fighters. The Fund is open to new entrants. An actuarial valuation of the Fund is performed every two years.

### **7. Benefits Provided**

Effective January 1, 2020, the City of Denison contributes 18 percent of each Fund member's total pay (including regular, longevity, overtime pay and pay received during a period of sick leave or vacation, but excluding lump sum distributions for unused sick leave or vacation). Fund members contribute to the fund at a rate of 13.25 percent of pay. Fund members receive a credit for service for the period during which they pay into, and keep on deposit in the fund, the contributions required by the Fund. Retirement, death, disability, and termination benefits are calculated based upon a member's average salary for the 24 consecutive months that produce the highest average.

All active fire fighters of the City of Denison, Texas are members of the Denison Firemen's Relief and Retirement Fund.

The City contributed 100% toward the required postemployment benefit cost for current and two preceding years.

#### ***Service Retirement Benefits***

A member is eligible for service retirement benefits upon completion of 20 years of service and attainment of age 50. A member who retires under the service retirement provisions of the Fund will receive a monthly benefit equal to the sum of (a) and (b), below, where: (a) Equals 2.65 percent of the member's highest 24-month average salary, multiplied by the member's years of credited service not in excess of 20, and (b) Equals 3.00 percent of the member's highest 24-month average salary multiplied by the member's years of credited service in excess of 20.

The maximum service retirement benefit is \$5,150 per month.

Service retirement benefits are payable for the member's lifetime. In the event the member's death precedes that of his spouse, three-fourths of the member's pension will be continued to the member's spouse for the spouse's lifetime. Monthly benefits to a widowed spouse upon remarriage will continue subject to the other terms of the Fund.



**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

***Disability Benefits***

An active member who becomes disabled before the date he qualifies for service retirement will receive a monthly disability benefit equal to 50 percent of the member's average monthly compensation. However, if a member is eligible for a service retirement benefit, he will receive the service retirement benefit to which he is entitled instead of the disability benefit. The maximum disability benefit is \$5,150 per month.

If a member begins drawing disability benefits prior to age 50, but after the date he has completed 20 years of service, monthly disability benefits will end at age 50. Starting at age 50, the member will receive the amount of monthly termination benefit, described below, which the member has accumulated as of the date his service is terminated due to disability.

Disability benefits are payable in the same form as service retirement benefits. However, disability benefits stop if the member recovers to the point that he no longer meets the definition of disability under the Fund.

***Governmental Accounting Standards***

In June 2012, the GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which amended GASB Statement No. 27 effective for fiscal years beginning after June 15, 2014. GASB 68 says that the total pension liability should be determined by (a) an actuarial valuation as of the measurement date or (b) the use of update procedures to roll forward to the measurement date from an actuarial valuation as of a date no more than 30 months and one day earlier than the employer's most recent fiscal year-end. For this report, the roll forward procedure is what we used to develop the December 31, 2022 total pension liability from the total pension liability in the December 31, 2021 actuarial valuation. Therefore, there are no differences between expected and actual experience for the Fund year ending December 31, 2022 since the theoretical actual demographic experience for that year was assumed to be the same as the expected experience.

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**Employees covered by benefit terms**

At the December 31, 2021 actuarial valuation, the following employees were covered by the benefit terms:

|                                                                  |                   |
|------------------------------------------------------------------|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 55                |
| Inactive employees entitled to but not yet receiving benefits    | 8                 |
| Active employees                                                 | <u>50</u>         |
| <b>Total</b>                                                     | <b><u>113</u></b> |

**8. Contributions**

Beginning January 1, 2020, the City increased its rate to 18%. The City's contributions to the fund for the year ended September 30, 2023, were \$811,957, and were equal to the required contributions.

**9. Net Pension Liability**

The city's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of December 31, 2021 and rolled forward to December 31, 2022.

|                                                                               |                     |
|-------------------------------------------------------------------------------|---------------------|
| Total pension liability                                                       | \$ 27,322,134       |
| Plan fiduciary net position                                                   | <u>20,072,690</u>   |
| City's net pension liability                                                  | <u>\$ 7,249,444</u> |
| Plan fiduciary net position as a percentage<br>of the total pension liability | 73.50%              |

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**Actuarial Assumptions**

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

|                            |                                                                                                                                                                                                                            |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial cost method      | Entry Age Normal Actuarial cost method                                                                                                                                                                                     |
| Amortization method        | Open period, level percentage of pay                                                                                                                                                                                       |
| Asset valuation method     | The fair value of assets plus 20% of the unrecognized gains & losses from each of the past four years. The resulting value is further limited to be no less than 80% and no greater than 110% of the fair value of assets. |
| Discount rate              | 7.50% per annum, compounded annually                                                                                                                                                                                       |
| Compensation increases     | 2.75% general annual compensation increase plus 1.89% per year for pay increases due to promotion and longevity over a 30-year career                                                                                      |
| Increases in total payroll | 2.50% aggregate payroll growth                                                                                                                                                                                             |
| Marital status             |                                                                                                                                                                                                                            |
| a. Proportion married      | Males: 100%, Females: 100%                                                                                                                                                                                                 |
| b. Difference in ages      | Actual age difference are used for married members. Unmarried members are assumed to be married at retirement, Males are assumed to be two years older than their spouses.                                                 |
| Contribution rates         | Rates in effect are assumed to remain constant for future years                                                                                                                                                            |
| Mortality rates            | PubS-2010 (public safety) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2019.                             |

|                   |            |                         |
|-------------------|------------|-------------------------|
| Termination rates | <u>Age</u> | <u>Termination Rate</u> |
|                   | 25         | 4.97%                   |
|                   | 35         | 2.49%                   |
|                   | 45         | 0.62%                   |
|                   | 55         | 0.00%                   |

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

| Disability                        | Rates developed from 1985 Society of Actuaries Disability Table Study using Class 1 male rates with a 90-day elimination period. Specimen rates are:<br><table><tr><th><u>Age</u></th><th><u>Termination Rate</u></th></tr><tr><td>25</td><td>0.111%</td></tr><tr><td>35</td><td>0.152%</td></tr><tr><td>45</td><td>0.335%</td></tr><tr><td>55</td><td>0.858%</td></tr></table> | <u>Age</u> | <u>Termination Rate</u> | 25 | 0.111% | 35 | 0.152% | 45 | 0.335% | 55 | 0.858% |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------------|----|--------|----|--------|----|--------|----|--------|
| <u>Age</u>                        | <u>Termination Rate</u>                                                                                                                                                                                                                                                                                                                                                         |            |                         |    |        |    |        |    |        |    |        |
| 25                                | 0.111%                                                                                                                                                                                                                                                                                                                                                                          |            |                         |    |        |    |        |    |        |    |        |
| 35                                | 0.152%                                                                                                                                                                                                                                                                                                                                                                          |            |                         |    |        |    |        |    |        |    |        |
| 45                                | 0.335%                                                                                                                                                                                                                                                                                                                                                                          |            |                         |    |        |    |        |    |        |    |        |
| 55                                | 0.858%                                                                                                                                                                                                                                                                                                                                                                          |            |                         |    |        |    |        |    |        |    |        |
| Assumed death benefit to children | Each member is assumed to have two children. The first child is assumed to have been born when the member was age 25. The second child is assumed to be two years younger. It is also assumed that benefits will be paid when each child reaches the age of 18.                                                                                                                 |            |                         |    |        |    |        |    |        |    |        |
| Assumed contribution rates        |                                                                                                                                                                                                                                                                                                                                                                                 |            |                         |    |        |    |        |    |        |    |        |
| a. Members                        | 13.25% of compensation                                                                                                                                                                                                                                                                                                                                                          |            |                         |    |        |    |        |    |        |    |        |
| b. City                           | 18.00% of compensation                                                                                                                                                                                                                                                                                                                                                          |            |                         |    |        |    |        |    |        |    |        |
| Assumed form of payment           | Members are assumed to receive a joint and 75% contingent service retirement benefit, which is the only form of service retirement benefit in the plan.                                                                                                                                                                                                                         |            |                         |    |        |    |        |    |        |    |        |

**Discount Rate**

The discount rate used to measure the total pension liability was 7.5%. No projection of cash flows was used to determine the discount rate because the December 31, 2021 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 11 years. Because of the 11-year amortization period of the UAAL, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7.5% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

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.

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

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 (see the discussion of the pension plan's investment policy) are summarized in the following table:

| <u>Asset Class</u>        | <u>Target Allocation</u> | <u>Long-Term Expected Real<br/>Rate of Return (Arithmetic)</u> |
|---------------------------|--------------------------|----------------------------------------------------------------|
| Cash and cash equivalents | 0.7%                     | 0.00%                                                          |
| Fixed income securities   | 2.2%                     | 1.45%                                                          |
| Closed-end mutual funds   | 10.9%                    | 1.45%                                                          |
| Equities                  | 83.5%                    | 5.95%                                                          |
| Real Estate               | <u>2.7%</u>              | <u>3.45%</u>                                                   |
| <b>Total</b>              | <b>100.0%</b>            | <b>5.25%</b>                                                   |

**Changes in the Net Pension Liability**

|                                                           | <b>Total Pension<br/>Liability (a)</b> | <b>Plan Fiduciary Net<br/>Position (b)</b> | <b>Net Pension<br/>Liability (a) – (b)</b> |
|-----------------------------------------------------------|----------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>Balance at 9/30/2022</b>                               | <b>\$ 26,725,580</b>                   | <b>\$ 24,957,398</b>                       | <b>\$ 1,768,182</b>                        |
| Changes for the year:                                     |                                        |                                            |                                            |
| Service cost                                              | 535,217                                | -                                          | 535,217                                    |
| Interest                                                  | 1,972,877                              | -                                          | 1,972,877                                  |
| Change in benefit provisions                              | -                                      | -                                          | -                                          |
| Difference between expected and actual experience         | -                                      | -                                          | -                                          |
| Changes of assumptions                                    | -                                      | -                                          | -                                          |
| Contributions – employer                                  | -                                      | 791,048                                    | (791,048)                                  |
| Contributions – employee                                  | -                                      | 582,299                                    | (582,299)                                  |
| Net investment income                                     | -                                      | (4,299,891)                                | 4,299,891                                  |
| Benefit payments, including refunds of emp. contributions | (1,911,540)                            | (1,911,540)                                | -                                          |
| Administrative expense                                    | -                                      | (46,624)                                   | 46,624                                     |
| Other changes                                             | -                                      | -                                          | -                                          |
| Net changes                                               | 596,554                                | (4,884,708)                                | 5,481,262                                  |
| <b>Balance at 9/30/2023</b>                               | <b>\$ 27,322,134</b>                   | <b>\$ 20,072,690</b>                       | <b>\$ 7,249,444</b>                        |

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**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 7.50% as well as what the City's net pension liability would be if it were to be calculated using the discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

| <b>1% Decrease</b> | <b>Current Single Rate</b> | <b>1% Increase</b> |
|--------------------|----------------------------|--------------------|
| <b>6.50%</b>       | <b>Assumption 7.50%</b>    | <b>8.50%</b>       |
| \$ 10,652,631      | \$ 7,249,444               | \$ 4,430,425       |

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued financial report. That report may be obtained from the finance department of the City.

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

For the year ended September 30, 2023, the City recognized pension expense for this plan of \$430,447.

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

|                                                             | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>(Inflows) of<br/>Resources</b> |
|-------------------------------------------------------------|-----------------------------------------------|------------------------------------------------|
| Difference between projected and investment earnings        | \$ 2,527,776                                  | \$ -                                           |
| Changes in actuarial assumptions                            | 105,538                                       | -                                              |
| Differences between expected and actual economic experience | -                                             | (123,802)                                      |
| Contributions subsequent to the measurement date            | 591,811                                       | -                                              |
| <b>Total</b>                                                | <b>\$ 3,225,125</b>                           | <b>\$ (123,802)</b>                            |

The City reported \$591,811 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2024.

# City of Denison, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2023

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

| Year ended September 30: |    |                  |
|--------------------------|----|------------------|
| 2024                     | \$ | (50,497)         |
| 2025                     |    | 617,454          |
| 2026                     |    | 683,262          |
| 2027                     |    | 1,259,293        |
| 2028                     |    | -                |
| Thereafter               |    | -                |
|                          | \$ | <u>2,509,512</u> |

#### E. Deferred Compensation Plan

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

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

It is the opinion of the City that the City has no liability for investment losses under the 457 plan, but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the 457 plan assets to satisfy the claims of general creditors in the future.

The City's deferred compensation plan is administered by a private corporation under contract with the City. Participant contributions totaled \$32,531 for the year ended September 30, 2023.

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**F. Commitments and Contingencies**

Texoma Area Solid Waste Authority

The City has an unconditional obligation to pay its proportionate share of TASWA's bond debt service and annual operating and maintenance expenditures. The City pays its proportionate share of this obligation to TASWA through tipping fees. The City's budgeted commitment to TASWA for fiscal year 2023 is \$1,030,000. Payments made by the City during the year totaled \$1,058,338.

Guarantee

The City has executed a guarantee to the Texas Commission on Environmental Quality ("TCEQ") on behalf of TASWA. In the event TASWA fails to perform any closure, post-closure, or corrective actions required by TCEQ, the City shall (i) perform such closure, post-closure, or corrective actions, (ii) pay a third party to perform such closure, post-closure or corrective actions, or (iii) establish a fully-funded trust pursuant to Texas law to remedy the failure at the TASWA facility.

If the City expends funds under this guarantee, the City would be unconditionally entitled to reimbursement from TASWA according to the terms of the Landfill Contract. Estimated costs guaranteed by the City are \$8,370,771 for closure and \$2,372,197 for post-closure. The landfill is estimated to be 22% full and has an estimated remaining useful life of 61.8 years. These estimates are evaluated annually and are subject to change due to inflation, changes in technology, or changes in regulation.

Greater Texoma Utility Authority

The City has entered into various contracts with the Greater Texoma Utility Authority ("Authority"), whereby the Authority provides water services to the City. As part of the contractual agreements, the Authority issues debt for the benefit of the City, the proceeds of which are used to finance construction of water and sewer facilities and infrastructure within the City. Although this debt is not that of the City, the City is contractually obligated for the repayment of principal and interest on the debt through a pledging of water revenues.

During the year ended September 30, 2023, the City paid \$291,049 to the Authority in accordance with these contracts. Future payments under these contracts average approximately \$289,987 per year for the next 7 years.



**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

A summary of the remaining debt service as of September 30, 2023 is as follows:

| <b>Year Ending<br/>September 30,</b> | <b>Principal</b>    | <b>Interest</b>   | <b>Total</b>        |
|--------------------------------------|---------------------|-------------------|---------------------|
| 2024                                 | \$ 249,480          | \$ 43,240         | \$ 292,720          |
| 2025                                 | 255,960             | 38,021            | 293,981             |
| 2026                                 | 262,440             | 32,411            | 294,851             |
| 2027                                 | 268,920             | 26,424            | 295,344             |
| 2028                                 | 275,400             | 20,070            | 295,470             |
| 2029                                 | 281,880             | 13,358            | 295,238             |
| 2030                                 | 255,960             | 6,348             | 262,308             |
| <b>Total</b>                         | <b>\$ 1,850,040</b> | <b>\$ 179,872</b> | <b>\$ 2,029,912</b> |

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

Construction Commitments

The City has active construction projects as of September 30, 2023. At year end, the City's commitments with contractors are as follows:

Governmental Funds

| <b>Project</b>                 | <b>Project<br/>Budget<br/>Appropriation</b> | <b>Construction<br/>in Progress<br/>(Spent to Date)</b> | <b>Remaining<br/>Commitment</b> |
|--------------------------------|---------------------------------------------|---------------------------------------------------------|---------------------------------|
| Lynn Vessels Construction      | \$ 4,742,193                                | \$ 2,040,997                                            | \$ 2,701,196                    |
| Huitt Zollars                  | 596,690                                     | 336,421                                                 | 260,269                         |
| Chris Lambka and Associates    | 235,200                                     | 174,048                                                 | 61,152                          |
| Garver                         | 104,961                                     | 22,060                                                  | 82,901                          |
| CEC Engineering                | 51,322                                      | 41,538                                                  | 9,784                           |
| Total Construction in Progress | <u>\$ 5,730,366</u>                         | <u>\$ 2,615,064</u>                                     | <u>\$ 3,115,302</u>             |

Proprietary Funds

| <b>Project</b>                 | <b>Project<br/>Budget<br/>Appropriation</b> | <b>Construction<br/>in Progress<br/>(Spent to Date)</b> | <b>Remaining<br/>Commitment</b> |
|--------------------------------|---------------------------------------------|---------------------------------------------------------|---------------------------------|
| Plummer & Associates           | \$ 1,561,425                                | \$ 1,392,759                                            | \$ 168,666                      |
| Plummer & Associates           | 5,228,412                                   | 997,551                                                 | 4,230,861                       |
| Plummer & Associates           | 5,868,800                                   | 1,461,928                                               | 4,406,872                       |
| WesTech                        | 80,615                                      | -                                                       | 80,615                          |
| Motorola                       | 2,000,000                                   | 2,000,000                                               | -                               |
| Archer Western                 | 39,534,728                                  | 9,216,183                                               | 30,318,545                      |
| Birkhoff, Hendricks, Carter    | 2,500,000                                   | 2,317,211                                               | 182,789                         |
| Archer Western                 | 2,892,826                                   | 1,959,721                                               | 933,105                         |
| Archer Western                 | 6,369,000                                   | 5,940,372                                               | 428,628                         |
| SYB Construction               | 10,829,280                                  | 7,021,685                                               | 3,807,595                       |
| Plummer & Associates           | 985,983                                     | 453,141                                                 | 532,842                         |
| Plummer & Associates           | 150,000                                     | 79,364                                                  | 70,636                          |
| H&H                            | 232,039                                     | -                                                       | 232,039                         |
| Plummer & Associates           | 375,879                                     | 295,326                                                 | 80,553                          |
| HydroPro Solutions             | 177,985                                     | 142,177                                                 | 35,808                          |
| Garver                         | 52,936                                      | -                                                       | 52,936                          |
| Dickerson Construction Co.     | 290,961                                     | 290,961                                                 | -                               |
| RJN Group                      | 452,625                                     | -                                                       | 452,625                         |
| DDM                            | 9,385,992                                   | 4,423,122                                               | 4,962,870                       |
| Total Construction in Progress | <u>\$ 88,969,486</u>                        | <u>\$ 37,991,501</u>                                    | <u>\$ 50,977,985</u>            |

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**G. Additional Water and Sewer Information**

The following information is included at the request of the Texas Water Development Board for the year under audit.

Water Accountability Report:

|                           |               |
|---------------------------|---------------|
| Gallons Pumped            | 1,949,830,000 |
| Gallons Billed            | 1,790.256.401 |
| Other gallons processed * | 221,750       |

\*Emergency water main repairs, installation of water main, repair service main, replace water main, water leak, and fire hydrant flushing.

The City of Denison secures its water supply and sewer services from the Greater Texoma Utility Authority ("Authority"), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 9-member board ("Board"). The Board has full power and discretion to establish its budget and to set rates for the services it provides by contracts with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee or rental due to the Authority. Because of these factors, the Authority is not included in the City's basic financial statements.

The City does not have meters on all water pumping stations to be able to accurately measure the total number of gallons pumped. Therefore, the above numbers do not accurately reflect the actual gallons pumped versus the total gallons billed.

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**H. Tax Abatement Disclosures**

The City of Denison negotiates tax abatement agreements on an individual basis. The City has four property tax abatement agreements with two separate entities, a sales tax abatement with one entity, and hotel tax abatements with one entity as of September 30, 2023:

| <u>Purpose</u>                                                                                                             | <b>Abatement<br/>Type</b> | <b>Percentage of<br/>Taxes Abated<br/>during<br/>the Fiscal Year</b> | <b>Amount of Taxes<br/>Abated during<br/>the<br/>Fiscal Year</b> |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------------------------|------------------------------------------------------------------|
| Hotel receives hotel tax abatements for constructing and operating a hotel and conference center facility within the City. | Hotel<br>Tax              | 40%                                                                  | 170,243                                                          |
| Developer receives ad valorem tax rebate for constructing single family structures within the City.                        | Property<br>Tax           | 100%                                                                 | 6,846                                                            |
| Property owner/developer receives rebate of ten times the amount of increased city property taxes assessed and paid.       | Property<br>Tax           | 100%                                                                 | 69,411                                                           |
| Developer receives ad valorem rebate for constructing multi family structures within the City.                             | Property<br>Tax           | 100%                                                                 | 82,156                                                           |
| Entertainment venue receives ad valorem tax rebate for constructing and operating facility within the City.                | Property<br>Tax           | 100%                                                                 | 61,916                                                           |
| Travel Center venue receives ad valorem tax rebate for constructing and operating facility within the City.                | Property<br>Tax           | 100%                                                                 | 13,347                                                           |
| Entertainment venue receives sales tax rebate for constructing and operating facility within the City.                     | Sales Tax                 | 100%                                                                 | 13,873                                                           |
| <b>Total</b>                                                                                                               |                           |                                                                      | <b>\$ 417,792</b>                                                |

Each agreement was negotiated under the property redevelopment and tax abatement act codified in chapter 312 of the Texas tax code which authorizes allowing localities to abate property taxes when the entity meets certain guidelines and criteria adopted by the governing body. The Tax Code provides that a tax abatement agreement may provide for the exemption of the real property in each year covered by the agreement only to the extent its increase in value for that year exceeds its value for the year in which the agreement is executed. Accordingly, only the increase in value may be abated. Moreover, the taxing unit could abate from one percent (1%) to one hundred percent (100%) the property taxes paid on the increase. A tax abatement agreement cannot exceed ten years in length.

**City of Denison, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

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

**I. Related Party Transactions**

Janet Gott is the City Mayor. Mrs. Gott is related to the owner of a landscaping company that was contracted to perform landscaping services for the City. The services provided totaled \$325,314 during the fiscal year ending September 30, 2023.

**J. Restatement**

The City restated beginning net position for governmental activities to correct capital assets. The table below summarize the changes to net position as a result of these corrections.

|                                                              | <b>Governmental<br/>Activities</b> |
|--------------------------------------------------------------|------------------------------------|
| Prior year ending net position/<br>fund balance, as reported | \$ 55,475,659                      |
| To correct capital assets                                    | 214,074                            |
| <b>Restated beginning net<br/>position/fund balance</b>      | <b><u>\$ 55,689,733</u></b>        |

**K. New Accounting Pronouncements**

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled subscription-based information technology arrangements ("SBITA"). Due to the implementation of GASB 96 in the current year, the City recorded right-to-use assets and subscription liabilities based on the present value of the payments for the related arrangements. The assets are included within capital assets, and depreciated straight-line over the term of the arrangement. The liabilities accrue interest at the implied rate estimated by the City, and are relieved with payments over the term of the arrangements.

**L. Subsequent Events**

There were no material events through March 15, 2024, the date the financial statements were available to be issued.



## ***REQUIRED SUPPLEMENTARY INFORMATION***

# City of Denison, Texas

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

### GENERAL FUND (Page 1 of 2)

For the Year Ended September 30, 2023

|                             | Original Budget   | Final Budget      | Actual            | Variance with Final Budget Positive (Negative) |
|-----------------------------|-------------------|-------------------|-------------------|------------------------------------------------|
| <b>Revenues</b>             |                   |                   |                   |                                                |
| Property tax                | \$ 13,596,153     | \$ 12,022,503     | \$ 12,873,662     | \$ 851,159                                     |
| Sales tax                   | 7,560,000         | 7,560,000         | 8,140,375         | 580,375                                        |
| Franchise and local taxes   | 1,659,000         | 1,659,000         | 1,680,440         | 21,440                                         |
| License and permits         | 988,025           | 933,428           | 967,994           | 34,566                                         |
| Intergovernmental           | 500,000           | 500,000           | 601,320           | 101,320                                        |
| Charges for services        | 9,442,462         | 9,442,462         | 10,097,231        | 654,769                                        |
| Fines and forfeitures       | 415,000           | 415,000           | 413,067           | (1,933)                                        |
| Investment income           | 25,700            | 25,700            | 384,146           | 358,446                                        |
| Contributions and donations | -                 | -                 | 150,000           | 150,000                                        |
| Other revenue               | 300,000           | 300,000           | 278,270           | (21,730)                                       |
| <b>Total Revenues</b>       | <b>34,486,340</b> | <b>32,858,093</b> | <b>35,586,505</b> | <b>2,728,412</b>                               |
| <b>Expenditures</b>         |                   |                   |                   |                                                |
| Current:                    |                   |                   |                   |                                                |
| General government          |                   |                   |                   |                                                |
| City manager and admin.     | 6,887,056         | 7,550,569         | 5,074,504         | 2,476,065                                      |
| Finance                     | 615,881           | 676,649           | 675,951           | 698                                            |
| Human resources             | 392,313           | 392,313           | 375,588           | 16,725                                         |
| Information technology      | 1,349,259         | 1,349,868         | 1,228,623         | 121,245                                        |
| Main street                 | 411,727           | 460,662           | 463,608           | (2,946)                                        |
| Community engagement        | 151,701           | 151,701           | 128,941           | 22,760                                         |
| Total                       | 9,807,937         | 10,581,762        | 7,947,215         | 2,634,547                                      |
| Public safety               |                   |                   |                   |                                                |
| Fire                        | 7,018,682         | 7,485,034         | 7,410,008         | 75,026                                         |
| Police                      | 6,215,591         | 6,473,525         | 5,784,809         | 688,716                                        |
| Dispatch                    | 1,151,346         | 1,168,633         | 1,015,890         | 152,743                                        |
| Total                       | 14,385,619        | 15,127,192        | 14,210,707        | 916,485                                        |
| Community services          |                   |                   |                   |                                                |
| Municipal court             | 256,238           | 256,238           | 256,956           | (718)                                          |
| City marshal                | 132,538           | 142,502           | 125,630           | 16,872                                         |
| Animal control              | 327,662           | 352,775           | 333,377           | 19,398                                         |
| Cemetery                    | 504,483           | 504,483           | 330,562           | 173,921                                        |
| Code enforcement            | 490,283           | 522,533           | 491,671           | 30,862                                         |
| Building inspections        | 501,187           | 514,796           | 476,145           | 38,651                                         |
| Marketing and tourism       | 419,388           | 419,388           | 423,818           | (4,430)                                        |
| Parks and recreation        | 3,264,608         | 3,413,326         | 3,209,929         | 203,397                                        |
| Library                     | 891,039           | 891,039           | 871,423           | 19,616                                         |
| Total                       | 6,787,426         | 7,017,080         | 6,519,511         | 497,569                                        |



# City of Denison, Texas

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

### GENERAL FUND (Page 2 of 2)

For the Year Ended September 30, 2023

|                                         |                 |                 |               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------------|-----------------|-----------------|---------------|---------------------------------------------------------|
|                                         | Original Budget | Final<br>Budget | Actual        |                                                         |
| Public works                            |                 |                 |               |                                                         |
| Demolition/mowing                       | 93,172          | 89,682          | 81,453        | 8,229                                                   |
| Garage                                  | 1,612,237       | 2,036,790       | 2,002,765     | 34,025                                                  |
| Streets                                 | 1,267,189       | 1,370,754       | 1,296,311     | 74,443                                                  |
| Solid waste                             | 2,677,391       | 2,743,007       | 2,725,433     | 17,574                                                  |
| Planning                                | 561,312         | 561,312         | 563,791       | (2,479)                                                 |
| Building maintenance                    | 283,091         | 342,335         | 335,443       | 6,892                                                   |
| Total                                   | 6,494,392       | 7,143,880       | 7,005,196     | 138,684                                                 |
| Capital outlay                          | -               | 2,081,629       | 2,081,629     | -                                                       |
| Debt Service:                           |                 |                 |               |                                                         |
| Principal                               | 1,229,882       | 1,936,041       | 1,809,391     | 126,650                                                 |
| Interest and fiscal charges             | 200,653         | 293,352         | 237,590       | 55,762                                                  |
| Total Expenditures                      | 38,905,909      | 44,180,936      | 39,811,239    | 4,369,697                                               |
| Revenues Over (Under)                   |                 |                 |               |                                                         |
| Expenditures                            | (4,419,569)     | (11,322,843)    | (4,224,734)   | 7,098,109                                               |
| <b>Other Financing Sources (Uses)</b>   |                 |                 |               |                                                         |
| Transfers in                            | 3,402,580       | 3,287,437       | 3,332,239     | 44,802                                                  |
| Transfers (out)                         | (1,215,000)     | (1,332,508)     | (1,329,467)   | 3,041                                                   |
| Proceeds from sale of assets            | 250,000         | 250,000         | 274,859       | 24,859                                                  |
| Lease liabilities                       | 1,813,000       | 2,855,629       | 2,827,118     | (28,511)                                                |
| Subscription liabilities                | -               | 28,511          | 28,511        | -                                                       |
| Total Other Financing Sources<br>(Uses) | 4,250,580       | 5,089,069       | 5,133,260     | 44,191                                                  |
| Net Change in Fund Balance              | \$ (168,989)    | \$ (6,233,774)  | 908,526       | \$ 7,142,300                                            |
| Beginning fund balance                  |                 |                 | 11,535,360    |                                                         |
| Ending Fund Balance                     |                 |                 | \$ 12,443,886 |                                                         |

Notes to Required Supplementary Information

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

# City of Denison, Texas

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended

|                                                                                   | 12/31/2014           | 12/31/2015           | 12/31/2016           | 12/31/2017           |
|-----------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability                                                           |                      |                      |                      |                      |
| Service cost                                                                      | \$ 1,385,094         | \$ 1,471,283         | \$ 1,570,742         | \$ 1,592,801         |
| Interest                                                                          | 3,806,514            | 3,948,676            | 4,004,811            | 4,138,491            |
| Differences between expected and actual experience                                | (534,097)            | (575,637)            | (190,121)            | (401,576)            |
| Changes of assumptions                                                            | -                    | 1,069,012            | -                    | -                    |
| Benefit payments, including refunds of participant contributions                  | (2,391,085)          | (2,948,365)          | (3,136,017)          | (3,695,995)          |
| <b>Net change in total pension liability</b>                                      | <b>2,266,426</b>     | <b>2,964,969</b>     | <b>2,249,415</b>     | <b>1,633,721</b>     |
| <b>Total pension liability - beginning</b>                                        | <b>54,881,770</b>    | <b>57,148,196</b>    | <b>60,113,165</b>    | <b>62,362,580</b>    |
| <b>Total pension liability - ending (a)</b>                                       | <b>57,148,196</b>    | <b>60,113,165</b>    | <b>62,362,580</b>    | <b>63,996,301</b>    |
| <b>Plan fiduciary net position</b>                                                |                      |                      |                      |                      |
| Contributions - employer                                                          | \$ 1,253,742         | \$ 1,241,360         | \$ 1,194,194         | \$ 1,307,587         |
| Contributions - members                                                           | 688,330              | 699,659              | 708,453              | 718,866              |
| Net investment income                                                             | 2,965,830            | 80,166               | 3,605,230            | 7,715,846            |
| Benefit payments, including refunds of participant contributions                  | (2,391,085)          | (2,948,365)          | (3,136,017)          | (3,695,995)          |
| Administrative expenses                                                           | (30,966)             | (48,830)             | (40,721)             | (39,994)             |
| Other                                                                             | (2,546)              | (2,412)              | (2,194)              | (2,027)              |
| <b>Net change in plan fiduciary net position</b>                                  | <b>2,483,305</b>     | <b>(978,422)</b>     | <b>2,328,945</b>     | <b>6,004,283</b>     |
| <b>Plan fiduciary net position - beginning</b>                                    | <b>51,847,184</b>    | <b>54,330,489</b>    | <b>53,352,067</b>    | <b>55,681,012</b>    |
| <b>Plan fiduciary net position - ending (b)</b>                                   | <b>\$ 54,330,489</b> | <b>\$ 53,352,067</b> | <b>\$ 55,681,012</b> | <b>\$ 61,685,295</b> |
| <b>Fund's net pension liability - ending (a) - (b)</b>                            | <b>\$ 2,817,707</b>  | <b>\$ 6,761,098</b>  | <b>\$ 6,681,568</b>  | <b>\$ 2,311,006</b>  |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | <b>95.07%</b>        | <b>88.75%</b>        | <b>89.29%</b>        | <b>96.39%</b>        |
| <b>Covered payroll</b>                                                            | <b>\$ 9,833,286</b>  | <b>\$ 9,995,129</b>  | <b>\$ 10,120,762</b> | <b>\$ 10,269,508</b> |
| <b>Fund's net pension liability as a percentage of covered payroll</b>            | <b>28.65%</b>        | <b>67.64%</b>        | <b>66.02%</b>        | <b>22.50%</b>        |

### Notes to schedule:

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

| 12/31/2018    | 12/31/2019    | 12/31/2020    | 12/31/2021     | 12/31/2022 <sup>1</sup> |
|---------------|---------------|---------------|----------------|-------------------------|
| \$ 1,698,110  | \$ 1,804,742  | \$ 1,825,942  | \$ 1,933,217   | \$ 2,090,047            |
| 4,259,941     | 4,420,063     | 4,591,717     | 4,740,786      | 4,892,998               |
| 15,566        | (82,160)      | (180,883)     | (98,600)       | 503,742                 |
| -             | 283,838       | -             | -              | -                       |
| (3,470,248)   | (3,839,260)   | (3,948,842)   | (4,215,132)    | (4,582,511)             |
| 2,503,369     | 2,587,223     | 2,287,934     | 2,360,271      | 2,904,276               |
| 63,996,301    | 66,499,670    | 69,086,893    | 71,374,827     | 73,735,098              |
| 66,499,670    | 69,086,893    | 71,374,827    | 73,735,098     | 76,639,374              |
| \$ 1,410,223  | \$ 1,437,441  | \$ 1,481,217  | \$ 1,484,339   | \$ 1,554,862            |
| 775,143       | 827,133       | 852,675       | 892,646        | 958,737                 |
| (1,846,896)   | 9,040,300     | 5,000,171     | 9,023,310      | (5,570,756)             |
| (3,470,248)   | (3,839,260)   | (3,948,842)   | (4,215,132)    | (4,582,511)             |
| (35,711)      | (51,117)      | (32,382)      | (41,789)       | (48,275)                |
| (1,866)       | (1,535)       | (1,263)       | 286            | 57,606                  |
| (3,169,355)   | 7,412,962     | 3,351,576     | 7,143,660      | (7,630,337)             |
| 61,685,295    | 58,515,940    | 65,928,902    | 69,280,478     | 76,424,138              |
| \$ 58,515,940 | \$ 65,928,902 | \$ 69,280,478 | \$ 76,424,138  | \$ 68,793,801           |
| \$ 7,983,730  | \$ 3,157,991  | \$ 2,094,349  | \$ (2,689,040) | \$ 7,845,573            |
| 87.99%        | 95.43%        | 97.07%        | 103.65%        | 89.76%                  |
| \$ 11,005,252 | \$ 11,749,623 | \$ 12,181,068 | \$ 12,752,091  | \$ 13,696,244           |
| 72.54%        | 26.88%        | 17.19%        | -21.09%        | 57.28%                  |

# City of Denison, Texas

## *SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN TEXAS MUNICIPAL RETIREMENT SYSTEM*

**Years Ended:**

|                                                                      | <u>9/30/2015</u>     | <u>9/30/2016</u>     | <u>9/30/2017</u>     | <u>9/30/2018</u>     |
|----------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Actuarially determined employer contributions                        | \$ 1,256,647         | \$ 1,197,073         | \$ 1,276,138         | \$ 1,366,662         |
| Contributions in relation to the actuarially determined contribution | \$ 1,256,647         | \$ 1,197,073         | \$ 1,276,138         | \$ 1,366,662         |
| Contribution deficiency (excess)                                     | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Annual covered payroll                                               | <u>\$ 10,050,835</u> | <u>\$ 10,014,944</u> | <u>\$ 10,309,965</u> | <u>\$ 10,729,319</u> |
| Employer contributions as a percentage of covered payroll            | 12.50%               | 11.95%               | 12.38%               | 12.74%               |

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

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

#### **Valuation Date:**

Notes

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

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

|                               |                                                                                                                                                                                 |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method         | Entry Age Normal                                                                                                                                                                |
| Amortization Method           | Level Percentage of Payroll, Closed                                                                                                                                             |
| Remaining Amortization Period | 23 years                                                                                                                                                                        |
| Asset Valuation Method        | 10 Year smoothed market; 12% soft corridor                                                                                                                                      |
| Inflation                     | 2.5%                                                                                                                                                                            |
| 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

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

#### **Other Information:**

Notes

There were no benefit changes during the year.

| <u>9/30/2019</u>     | <u>9/30/2020</u>     | <u>9/30/2021</u>     | <u>9/30/2022</u>     | <u>9/30/2023</u> <sup>1</sup> |
|----------------------|----------------------|----------------------|----------------------|-------------------------------|
| \$ 1,431,847         | \$ 1,436,872         | \$ 1,467,563         | \$ 1,531,841         | \$ 1,565,555                  |
| \$ 1,431,847         | \$ 1,436,872         | \$ 1,467,563         | \$ 1,531,841         | \$ 1,565,555                  |
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                          |
| <u>\$ 11,631,121</u> | <u>\$ 11,813,936</u> | <u>\$ 12,460,598</u> | <u>\$ 13,414,008</u> | <u>\$ 14,450,375</u>          |
| 12.31%               | 12.16%               | 11.78%               | 11.42%               | 10.83%                        |

# City of Denison, Texas

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS DENISON FIREMEN'S RELIEF AND RETIREMENT FUND

Years Ended:

|                                                                                       | 12/31/2014           | 12/31/2015           | 12/31/2016           | 12/31/2017           |
|---------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability                                                               |                      |                      |                      |                      |
| Service cost                                                                          | \$ 519,493           | \$ 540,273           | \$ 561,884           | \$ 584,359           |
| Interest                                                                              | 1,570,247            | 1,636,517            | 1,691,849            | 1,754,603            |
| Changes in benefit terms                                                              | -                    | -                    | -                    | -                    |
| Differences between expected and actual experience                                    | -                    | (322,524)            | -                    | (246,506)            |
| Changes of assumptions                                                                | -                    | 249,916              | -                    | (750,691)            |
| Benefit payments, including refunds of participant contributions                      | (1,212,961)          | (1,318,961)          | (1,504,730)          | (1,428,216)          |
| <b>Net change in total pension liability</b>                                          | <b>876,779</b>       | <b>785,221</b>       | <b>749,003</b>       | <b>(86,451)</b>      |
| <b>Total pension liability - beginning</b>                                            | <b>20,358,784</b>    | <b>21,235,563</b>    | <b>22,020,784</b>    | <b>22,769,787</b>    |
| <b>Total pension liability - ending (a)</b>                                           | <b>21,235,563</b>    | <b>22,020,784</b>    | <b>22,769,787</b>    | <b>22,683,336</b>    |
| <b>Plan fiduciary net position</b>                                                    |                      |                      |                      |                      |
| Contributions - employer                                                              | \$ 487,188           | \$ 493,062           | \$ 500,182           | \$ 501,647           |
| Contributions - members                                                               | 389,748              | 398,318              | 400,158              | 401,067              |
| Net investment income                                                                 | 1,368,721            | (1,053,804)          | 1,139,415            | 2,568,080            |
| Benefit payments, including refunds of participant contributions                      | (1,212,961)          | (1,318,961)          | (1,504,730)          | (1,428,216)          |
| Administrative expenses                                                               | (21,105)             | (26,839)             | (28,393)             | (38,876)             |
| Other                                                                                 | -                    | (2,003)              | -                    | -                    |
| <b>Net change in plan fiduciary net position</b>                                      | <b>1,011,591</b>     | <b>(1,510,227)</b>   | <b>506,632</b>       | <b>2,003,702</b>     |
| <b>Plan fiduciary net position - beginning</b>                                        | <b>15,713,372</b>    | <b>16,724,963</b>    | <b>15,214,736</b>    | <b>15,721,368</b>    |
| <b>Plan fiduciary net position - ending (b)</b>                                       | <b>\$ 16,724,963</b> | <b>\$ 15,214,736</b> | <b>\$ 15,721,368</b> | <b>\$ 17,725,070</b> |
| <b>Fund's net pension liability - ending (a) - (b)</b>                                | <b>\$ 4,510,600</b>  | <b>\$ 6,806,048</b>  | <b>\$ 7,048,419</b>  | <b>\$ 4,958,266</b>  |
| <br><b>Plan fiduciary net position as a percentage of the total pension liability</b> | <br>78.76%           | <br>69.09%           | <br>69.04%           | <br>78.14%           |
| <b>Covered payroll</b>                                                                | <b>\$ 3,247,920</b>  | <b>\$ 3,287,080</b>  | <b>\$ 3,334,547</b>  | <b>\$ 3,344,313</b>  |
| <br><b>Fund's net position as a percentage of covered payroll</b>                     | <br>138.88%          | <br>207.05%          | <br>211.38%          | <br>148.26%          |

### Notes to schedule:

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

| <u>12/31/2018</u> | <u>12/31/2019</u> | <u>12/31/2020</u> | <u>12/31/2021</u> | <u>12/31/2022</u> <sup>1</sup> |
|-------------------|-------------------|-------------------|-------------------|--------------------------------|
| \$ 487,429        | \$ 504,489        | \$ 484,543        | \$ 497,868        | \$ 535,217                     |
| 1,679,321         | 1,713,480         | 1,857,246         | 1,907,746         | 1,972,877                      |
| -                 | -                 | 1,227,295         | -                 | -                              |
| -                 | (693,239)         | -                 | 203,053           | -                              |
| -                 | 966,083           | -                 | 27,219            | -                              |
| (1,559,639)       | (1,897,085)       | (1,665,468)       | (1,698,097)       | (1,911,540)                    |
| 607,111           | 593,728           | 1,903,616         | 937,789           | 596,554                        |
| 22,683,336        | 23,290,447        | 23,884,175        | 25,787,791        | 26,725,580                     |
| 23,290,447        | 23,884,175        | 25,787,791        | 26,725,580        | 27,322,134                     |
| \$ 504,819        | \$ 529,465        | \$ 674,130        | \$ 655,168        | \$ 791,048                     |
| 404,045           | 423,572           | 496,234           | 482,276           | 582,299                        |
| (461,618)         | 4,623,990         | 1,367,729         | 4,492,329         | (4,299,891)                    |
| (1,559,639)       | (1,897,085)       | (1,665,468)       | (1,698,097)       | (1,911,540)                    |
| (24,075)          | (43,403)          | (17,749)          | (54,295)          | (46,624)                       |
| -                 | -                 | -                 | -                 | -                              |
| (1,136,468)       | 3,636,539         | 854,876           | 3,877,381         | (4,884,708)                    |
| 17,725,070        | 16,588,602        | 20,225,141        | 21,080,017        | 24,957,398                     |
| \$ 16,588,602     | \$ 20,225,141     | \$ 21,080,017     | \$ 24,957,398     | \$ 20,072,690                  |
| \$ 6,701,845      | \$ 3,659,034      | \$ 4,707,774      | \$ 1,768,182      | \$ 7,249,444                   |
| 71.22%            | 84.68%            | 81.74%            | 93.38%            | 73.47%                         |
| \$ 3,365,460      | \$ 3,529,767      | \$ 3,745,167      | \$ 3,639,819      | \$ 4,394,711                   |
| 199.14%           | 103.66%           | 125.70%           | 48.58%            | 164.96%                        |

# City of Denison, Texas

## **SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN DENISON FIREMEN'S RELIEF AND RETIREMENT FUND**

**Years Ended:**

|                                                                      | <u>9/30/2015</u>    | <u>9/30/2016</u>    | <u>9/30/2017</u>    | <u>9/30/2018</u>    |
|----------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined employer contributions                        | \$ 495,712          | \$ 498,662          | \$ 504,920          | \$ 500,846          |
| Contributions in relation to the actuarially determined contribution | \$ 495,712          | \$ 498,662          | \$ 504,920          | \$ 500,846          |
| Contribution deficiency (excess)                                     | \$ -                | \$ -                | \$ -                | \$ -                |
| Annual covered payroll                                               | <u>\$ 3,304,750</u> | <u>\$ 3,324,413</u> | <u>\$ 3,366,133</u> | <u>\$ 3,338,973</u> |
| Employer contributions as a percentage of covered payroll            | 15.00%              | 15.00%              | 15.00%              | 15.00%              |

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

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

#### **Valuation Date:**

Notes Actuarially determined contribution rates are determined by the contacted contribution rates.

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

|                               |                                                                                                                                                                                                |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method         | Entry Age Normal                                                                                                                                                                               |
| Amortization Method           | Level Percentage of Payroll, Open                                                                                                                                                              |
| Remaining Amortization Period | 11 years                                                                                                                                                                                       |
| Asset Valuation Method        | 5 Year smoothed market; 20% market value corridor                                                                                                                                              |
| Inflation                     |                                                                                                                                                                                                |
| Salary Increases              | 2.5% per year, plus promotion, step and longevity increases that vary by service                                                                                                               |
| Investment Rate of Return     | 7.5%                                                                                                                                                                                           |
| Retirement Age                | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation.                                                                         |
| Mortality                     | PubS-2010 (public safety) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2019. |

#### **Other Information:**

Notes There were no benefit changes during the year.



| <u>9/30/2019</u>    | <u>9/30/2020</u>    | <u>9/30/2021</u>    | <u>9/30/2022</u>    | <u>9/30/2023</u> <sup>1</sup> |
|---------------------|---------------------|---------------------|---------------------|-------------------------------|
| \$ 513,916          | \$ 604,020          | \$ 674,130          | \$ 655,168          | \$ 811,957                    |
| \$ 513,916          | \$ 604,020          | \$ 674,130          | \$ 655,168          | \$ 811,957                    |
| \$ -                | \$ -                | \$ -                | \$ -                | \$ -                          |
| <u>\$ 3,426,107</u> | <u>\$ 3,355,667</u> | <u>\$ 3,645,825</u> | <u>\$ 4,016,952</u> | <u>\$ 4,541,487</u>           |
| 15.00%              | 18.00%              | 18.49%              | 16.31%              | 17.88%                        |



***OTHER SUPPLEMENTARY INFORMATION  
COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES***

**City of Denison, Texas**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**September 30, 2023**

|                                                                                | <b>Tax Increment<br/>Reinvestment<br/>Zone</b> | <b>General<br/>Bond</b> | <b>Street<br/>Improvements</b> | <b>Cemetery<br/>Pre-pay<br/>O&amp;C</b> |
|--------------------------------------------------------------------------------|------------------------------------------------|-------------------------|--------------------------------|-----------------------------------------|
| <b><u>Assets</u></b>                                                           |                                                |                         |                                |                                         |
| Cash and cash equivalents                                                      | \$ 1,392,087                                   | \$ 2,417,997            | \$ 5,794,080                   | \$ -                                    |
| Restricted assets - cash                                                       | -                                              | 89,224                  | 2,271,747                      | 158,072                                 |
| Receivables, net                                                               | -                                              | -                       | -                              | 1,933                                   |
| Interest in net position of<br>recipient organization                          | -                                              | -                       | -                              | -                                       |
| <b>Total Assets</b>                                                            | <b>\$ 1,392,087</b>                            | <b>\$ 2,507,221</b>     | <b>\$ 8,065,827</b>            | <b>\$ 160,005</b>                       |
| <b><u>Liabilities</u></b>                                                      |                                                |                         |                                |                                         |
| Accounts payable<br>and accrued liabilities                                    | \$ -                                           | \$ 720,161              | \$ 533,219                     | \$ 143,733                              |
| Due to other funds                                                             | 66,213                                         | -                       | -                              | -                                       |
| <b>Total Liabilities</b>                                                       | <b>66,213</b>                                  | <b>720,161</b>          | <b>533,219</b>                 | <b>143,733</b>                          |
| <b><u>Fund Balances</u></b>                                                    |                                                |                         |                                |                                         |
| Restricted for:                                                                |                                                |                         |                                |                                         |
| Debt service                                                                   | -                                              | 1,787,060               | -                              | -                                       |
| Capital projects                                                               | -                                              | -                       | 7,532,608                      | -                                       |
| Municipal court                                                                | -                                              | -                       | -                              | -                                       |
| Public safety                                                                  | -                                              | -                       | -                              | -                                       |
| Community services                                                             | -                                              | -                       | -                              | -                                       |
| Federal relief grants                                                          | -                                              | -                       | -                              | -                                       |
| Committed to:                                                                  |                                                |                         |                                |                                         |
| Parks                                                                          | -                                              | -                       | -                              | -                                       |
| General government                                                             | -                                              | -                       | -                              | 16,272                                  |
| Capital projects                                                               | 1,325,874                                      | -                       | -                              | -                                       |
| Assigned to:                                                                   |                                                |                         |                                |                                         |
| Capital projects                                                               | -                                              | -                       | -                              | -                                       |
| Unassigned                                                                     | -                                              | -                       | -                              | -                                       |
| <b>Total (Deficit )Fund Balances</b>                                           | <b>1,325,874</b>                               | <b>1,787,060</b>        | <b>7,532,608</b>               | <b>16,272</b>                           |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> | <b>\$ 1,392,087</b>                            | <b>\$ 2,507,221</b>     | <b>\$ 8,065,827</b>            | <b>\$ 160,005</b>                       |

| <u>Special<br/>Events</u> | <u>Parks &amp;<br/>Recreation</u> | <u>TASWA<br/>Reserve</u> | <u>Community<br/>Development<br/>Operating</u> | <u>Denison<br/>Public<br/>Library</u> | <u>Mr. &amp; Mrs.<br/>Jones<br/>Memorial Trust</u> |
|---------------------------|-----------------------------------|--------------------------|------------------------------------------------|---------------------------------------|----------------------------------------------------|
| \$ 16,576                 | \$ 1,044,797                      | \$ 1,239,024             | \$ -                                           | \$ -                                  | \$ -                                               |
| -                         | -                                 | -                        | -                                              | 171,238                               | -                                                  |
| -                         | 82,638                            | -                        | -                                              | -                                     | -                                                  |
| -                         | -                                 | -                        | -                                              | -                                     | 212,107                                            |
| <u>\$ 16,576</u>          | <u>\$ 1,127,435</u>               | <u>\$ 1,239,024</u>      | <u>\$ -</u>                                    | <u>\$ 171,238</u>                     | <u>\$ 212,107</u>                                  |
| \$ 1,665                  | \$ 9,383                          | \$ -                     | \$ -                                           | \$ 572                                | \$ -                                               |
| -                         | -                                 | -                        | 9,801                                          | -                                     | -                                                  |
| <u>1,665</u>              | <u>9,383</u>                      | <u>-</u>                 | <u>9,801</u>                                   | <u>572</u>                            | <u>-</u>                                           |
| -                         | -                                 | -                        | -                                              | -                                     | -                                                  |
| -                         | -                                 | -                        | -                                              | -                                     | -                                                  |
| -                         | -                                 | -                        | -                                              | -                                     | -                                                  |
| -                         | -                                 | 1,239,024                | -                                              | 170,666                               | -                                                  |
| -                         | -                                 | -                        | -                                              | -                                     | -                                                  |
| -                         | 1,118,052                         | -                        | -                                              | -                                     | -                                                  |
| 14,911                    | -                                 | -                        | -                                              | -                                     | -                                                  |
| -                         | -                                 | -                        | -                                              | -                                     | -                                                  |
| -                         | -                                 | -                        | -                                              | -                                     | 212,107                                            |
| -                         | -                                 | -                        | (9,801)                                        | -                                     | -                                                  |
| <u>14,911</u>             | <u>1,118,052</u>                  | <u>1,239,024</u>         | <u>(9,801)</u>                                 | <u>170,666</u>                        | <u>212,107</u>                                     |
| <u>\$ 16,576</u>          | <u>\$ 1,127,435</u>               | <u>\$ 1,239,024</u>      | <u>\$ -</u>                                    | <u>\$ 171,238</u>                     | <u>\$ 212,107</u>                                  |

**City of Denison, Texas**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**September 30, 2023**

|                                                                                | <u>Project<br/>Participation</u> | <u>Federal<br/>Forfeitures</u> | <u>Fire<br/>Equipment</u> | <u>Fire<br/>Training</u> |
|--------------------------------------------------------------------------------|----------------------------------|--------------------------------|---------------------------|--------------------------|
| <b><u>Assets</u></b>                                                           |                                  |                                |                           |                          |
| Cash and cash equivalents                                                      | \$ -                             | \$ -                           | \$ -                      | \$ -                     |
| Restricted assets - cash                                                       | 965,895                          | 53,398                         | -                         | 4,032                    |
| Receivables, net                                                               | -                                | -                              | -                         | -                        |
| Interest in net position of<br>recipient organization                          | -                                | -                              | -                         | -                        |
| <b>Total Assets</b>                                                            | <u>\$ 965,895</u>                | <u>\$ 53,398</u>               | <u>\$ -</u>               | <u>\$ 4,032</u>          |
| <b>Liabilities</b>                                                             |                                  |                                |                           |                          |
| Accounts payable<br>and accrued liabilities                                    | \$ 46                            | \$ -                           | \$ -                      | \$ -                     |
| Due to other funds                                                             | -                                | -                              | -                         | -                        |
| <b>Total Liabilities</b>                                                       | <u>46</u>                        | <u>-</u>                       | <u>-</u>                  | <u>-</u>                 |
| <b>Fund Balances</b>                                                           |                                  |                                |                           |                          |
| Restricted for:                                                                |                                  |                                |                           |                          |
| Debt service                                                                   | -                                | -                              | -                         | -                        |
| Capital projects                                                               | 965,849                          | -                              | -                         | -                        |
| Municipal court                                                                | -                                | -                              | -                         | -                        |
| Public safety                                                                  | -                                | 53,398                         | -                         | 4,032                    |
| Community services                                                             | -                                | -                              | -                         | -                        |
| Federal relief grants                                                          | -                                | -                              | -                         | -                        |
| Committed to:                                                                  |                                  |                                |                           |                          |
| Parks                                                                          | -                                | -                              | -                         | -                        |
| General government                                                             | -                                | -                              | -                         | -                        |
| Capital projects                                                               | -                                | -                              | -                         | -                        |
| Assigned to:                                                                   |                                  |                                |                           |                          |
| Capital projects                                                               | -                                | -                              | -                         | -                        |
| Unassigned                                                                     | -                                | -                              | -                         | -                        |
| <b>Total Fund Balances</b>                                                     | <u>965,849</u>                   | <u>53,398</u>                  | <u>-</u>                  | <u>4,032</u>             |
| <b>Total Liabilities, Deferred Inflows<br/>of Resources, and Fund Balances</b> | <u>\$ 965,895</u>                | <u>\$ 53,398</u>               | <u>\$ -</u>               | <u>\$ 4,032</u>          |

| <u>Canine</u>   | <u>Homeland<br/>Security<br/>Grant</u> | <u>Police<br/>Equipment</u> | <u>THF<br/>Park</u> | <u>Retiree<br/>Medical</u> | <u>Park<br/>Dedication</u> |
|-----------------|----------------------------------------|-----------------------------|---------------------|----------------------------|----------------------------|
| \$ 2,909        | \$ -                                   | \$ -                        | \$ 67               | \$ 221                     | \$ 57,590                  |
| -               | -                                      | 20,349                      | -                   | -                          | -                          |
| -               | -                                      | -                           | -                   | -                          | -                          |
| -               | -                                      | -                           | -                   | -                          | -                          |
| <u>\$ 2,909</u> | <u>\$ -</u>                            | <u>\$ 20,349</u>            | <u>\$ 67</u>        | <u>\$ 221</u>              | <u>\$ 57,590</u>           |
| \$ -            | \$ -                                   | \$ -                        | \$ -                | \$ -                       | \$ -                       |
| <u>-</u>        | <u>-</u>                               | <u>-</u>                    | <u>-</u>            | <u>-</u>                   | <u>-</u>                   |
| <u>-</u>        | <u>-</u>                               | <u>-</u>                    | <u>-</u>            | <u>-</u>                   | <u>-</u>                   |
| -               | -                                      | -                           | -                   | -                          | -                          |
| -               | -                                      | -                           | -                   | -                          | -                          |
| 2,909           | -                                      | 20,349                      | -                   | -                          | -                          |
| -               | -                                      | -                           | -                   | 221                        | 57,590                     |
| -               | -                                      | -                           | -                   | -                          | -                          |
| -               | -                                      | -                           | 67                  | -                          | -                          |
| -               | -                                      | -                           | -                   | -                          | -                          |
| -               | -                                      | -                           | -                   | -                          | -                          |
| -               | -                                      | -                           | -                   | -                          | -                          |
| <u>2,909</u>    | <u>-</u>                               | <u>20,349</u>               | <u>67</u>           | <u>221</u>                 | <u>57,590</u>              |
| <u>\$ 2,909</u> | <u>\$ -</u>                            | <u>\$ 20,349</u>            | <u>\$ 67</u>        | <u>\$ 221</u>              | <u>\$ 57,590</u>           |

**City of Denison, Texas**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**September 30, 2023**

|                                                                                | <b>Law<br/>Enforcement<br/>Forfeitures</b> | <b>Police<br/>Training</b> | <b>Municipal<br/>Court<br/>Security</b> | <b>Municipal<br/>Court<br/>Technology</b> |
|--------------------------------------------------------------------------------|--------------------------------------------|----------------------------|-----------------------------------------|-------------------------------------------|
| <b><u>Assets</u></b>                                                           |                                            |                            |                                         |                                           |
| Cash and cash equivalents                                                      | \$ -                                       | \$ -                       | \$ 29,441                               | \$ 31,108                                 |
| Restricted assets - cash                                                       | 29,123                                     | 2,070                      | -                                       | -                                         |
| Receivables, net                                                               | -                                          | -                          | -                                       | -                                         |
| Interest in net position of<br>recipient organization                          | -                                          | -                          | -                                       | -                                         |
| <b>Total Assets</b>                                                            | <b>\$ 29,123</b>                           | <b>\$ 2,070</b>            | <b>\$ 29,441</b>                        | <b>\$ 31,108</b>                          |
| <b>Liabilities</b>                                                             |                                            |                            |                                         |                                           |
| Accounts payable<br>and accrued liabilities                                    | \$ -                                       | \$ -                       | \$ -                                    | \$ 21                                     |
| Due to other funds                                                             | -                                          | -                          | -                                       | -                                         |
| <b>Total Liabilities</b>                                                       | <b>-</b>                                   | <b>-</b>                   | <b>-</b>                                | <b>21</b>                                 |
| <b>Fund Balances</b>                                                           |                                            |                            |                                         |                                           |
| Restricted for:                                                                |                                            |                            |                                         |                                           |
| Debt service                                                                   | -                                          | -                          | -                                       | -                                         |
| Capital improvements                                                           | -                                          | -                          | -                                       | -                                         |
| Municipal court                                                                | -                                          | -                          | 29,441                                  | 31,087                                    |
| Public safety                                                                  | 29,123                                     | 2,070                      | -                                       | -                                         |
| Community services                                                             | -                                          | -                          | -                                       | -                                         |
| Federal relief grants                                                          | -                                          | -                          | -                                       | -                                         |
| Committed to:                                                                  |                                            |                            |                                         |                                           |
| Parks                                                                          | -                                          | -                          | -                                       | -                                         |
| General government                                                             | -                                          | -                          | -                                       | -                                         |
| Capital projects                                                               | -                                          | -                          | -                                       | -                                         |
| Assigned to:                                                                   |                                            |                            |                                         |                                           |
| Capital projects                                                               | -                                          | -                          | -                                       | -                                         |
| Unassigned                                                                     | -                                          | -                          | -                                       | -                                         |
| <b>Total Fund Balances</b>                                                     | <b>29,123</b>                              | <b>2,070</b>               | <b>29,441</b>                           | <b>31,087</b>                             |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> |                                            |                            |                                         |                                           |
|                                                                                | <b>\$ 29,123</b>                           | <b>\$ 2,070</b>            | <b>\$ 29,441</b>                        | <b>\$ 31,108</b>                          |



| <b>Truancy &amp;<br/>Prevention<br/>Diversion</b> | <b>Municipal<br/>Jury</b> | <b>Improvement<br/>Fund</b> | <b>Hotel<br/>Occupancy<br/>Tax</b> | <b>Federal<br/>Relief</b> | <b>Opioid<br/>Remediation</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> |
|---------------------------------------------------|---------------------------|-----------------------------|------------------------------------|---------------------------|-------------------------------|--------------------------------------------|
| \$ 37,110                                         | \$ 741                    | \$ 4,377                    | \$ 493,628                         | \$ 2,617,671              | \$ 67,946                     | \$ 15,247,370                              |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 3,765,148                                  |
| -                                                 | -                         | -                           | 69,611                             | -                         | -                             | 154,182                                    |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 212,107                                    |
| <u>\$ 37,110</u>                                  | <u>\$ 741</u>             | <u>\$ 4,377</u>             | <u>\$ 563,239</u>                  | <u>\$ 2,617,671</u>       | <u>\$ 67,946</u>              | <u>\$ 19,378,807</u>                       |
| \$ -                                              | \$ -                      | \$ -                        | \$ 33,232                          | \$ 22,400                 | \$ -                          | \$ 1,464,432                               |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 76,014                                     |
| -                                                 | -                         | -                           | 33,232                             | 22,400                    | -                             | 1,540,446                                  |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 1,787,060                                  |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 8,498,457                                  |
| 37,110                                            | 741                       | -                           | -                                  | -                         | -                             | 98,379                                     |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 111,881                                    |
| -                                                 | -                         | -                           | 530,007                            | -                         | -                             | 1,997,508                                  |
| -                                                 | -                         | -                           | -                                  | 2,595,271                 | 67,946                        | 2,663,217                                  |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 1,118,119                                  |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 31,183                                     |
| -                                                 | -                         | 4,377                       | -                                  | -                         | -                             | 1,330,251                                  |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 212,107                                    |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | (9,801)                                    |
| <u>37,110</u>                                     | <u>741</u>                | <u>4,377</u>                | <u>530,007</u>                     | <u>2,595,271</u>          | <u>67,946</u>                 | <u>17,838,361</u>                          |
| <u>\$ 37,110</u>                                  | <u>\$ 741</u>             | <u>\$ 4,377</u>             | <u>\$ 563,239</u>                  | <u>\$ 2,617,671</u>       | <u>\$ 67,946</u>              | <u>\$ 19,378,807</u>                       |

# City of Denison, Texas

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

|                                                 | Tax Increment<br>Reinvestment<br>Zone | General<br>Bond     | Street<br>Improvements | Cemetery<br>Pre-pay<br>O&C |
|-------------------------------------------------|---------------------------------------|---------------------|------------------------|----------------------------|
| <b><u>Revenues</u></b>                          |                                       |                     |                        |                            |
| Property tax                                    | \$ 1,858,775                          | \$ -                | \$ -                   | \$ -                       |
| Franchise and local taxes                       | -                                     | -                   | -                      | -                          |
| Intergovernmental                               | -                                     | 824,386             | -                      | -                          |
| Charges for services                            | -                                     | -                   | -                      | 8,752                      |
| Fines and forfeitures                           | -                                     | -                   | -                      | -                          |
| Investment income                               | 58,048                                | 155,798             | 326,581                | 5,253                      |
| Contributions and donations                     | -                                     | -                   | -                      | -                          |
| Other revenue                                   | -                                     | -                   | -                      | -                          |
| <b>Total Revenues</b>                           | <b>1,916,823</b>                      | <b>980,184</b>      | <b>326,581</b>         | <b>14,005</b>              |
| <b><u>Expenditures</u></b>                      |                                       |                     |                        |                            |
| Current:                                        |                                       |                     |                        |                            |
| General government                              | -                                     | -                   | -                      | -                          |
| Public safety                                   | -                                     | -                   | -                      | -                          |
| Community services                              | -                                     | -                   | -                      | -                          |
| Public works                                    | -                                     | -                   | -                      | -                          |
| Capital outlay                                  | 568,869                               | 2,332,278           | 767,307                | -                          |
| Debt Service:                                   |                                       |                     |                        |                            |
| Principal                                       | 132,265                               | -                   | -                      | -                          |
| Interest and fiscal charges                     | 12,200                                | 40,575              | -                      | -                          |
| <b>Total Expenditures</b>                       | <b>713,334</b>                        | <b>2,372,853</b>    | <b>767,307</b>         | <b>-</b>                   |
| <b>Revenues Over<br/>(Under) Expenditures</b>   | <b>1,203,489</b>                      | <b>(1,392,669)</b>  | <b>(440,726)</b>       | <b>14,005</b>              |
| <b><u>Other Financing Sources (Uses)</u></b>    |                                       |                     |                        |                            |
| Transfers in                                    | -                                     | 357                 | 995,000                | -                          |
| Transfers (out)                                 | (529,556)                             | (1,616,221)         | (62,030)               | (8,752)                    |
| Bond issuance                                   | -                                     | 1,140,000           | -                      | -                          |
| <b>Total Other Financing<br/>Sources (Uses)</b> | <b>(529,556)</b>                      | <b>(475,864)</b>    | <b>932,970</b>         | <b>(8,752)</b>             |
| <b>Net Change in Fund Balances</b>              | <b>673,933</b>                        | <b>(1,868,533)</b>  | <b>492,244</b>         | <b>5,253</b>               |
| Beginning fund balances                         | 651,941                               | 3,655,593           | 7,040,364              | 11,019                     |
| <b>Ending (Deficit) Fund Balances</b>           | <b>\$ 1,325,874</b>                   | <b>\$ 1,787,060</b> | <b>\$ 7,532,608</b>    | <b>\$ 16,272</b>           |

| <b>Special<br/>Events</b> | <b>Parks &amp;<br/>Recreation</b> | <b>TASWA<br/>Reserve</b> | <b>Community<br/>Development<br/>Operating</b> | <b>Denison<br/>Public<br/>Library</b> | <b>Mr. &amp; Mrs.<br/>Jones<br/>Memorial Trust</b> |
|---------------------------|-----------------------------------|--------------------------|------------------------------------------------|---------------------------------------|----------------------------------------------------|
| \$ -                      | \$ -                              | \$ -                     | \$ -                                           | \$ -                                  | \$ -                                               |
| -                         | -                                 | -                        | -                                              | -                                     | -                                                  |
| -                         | -                                 | -                        | 526,650                                        | 4,649                                 | -                                                  |
| -                         | 612,454                           | -                        | 30,000                                         | -                                     | -                                                  |
| -                         | -                                 | -                        | -                                              | -                                     | -                                                  |
| -                         | 36,035                            | 34,857                   | -                                              | 5,887                                 | -                                                  |
| -                         | 554                               | -                        | -                                              | -                                     | -                                                  |
| 202,620                   | 48,936                            | -                        | 192,306                                        | -                                     | -                                                  |
| <u>202,620</u>            | <u>697,979</u>                    | <u>34,857</u>            | <u>748,956</u>                                 | <u>10,536</u>                         | <u>-</u>                                           |
| 156,706                   | -                                 | 61,502                   | 528,648                                        | 78,441                                | -                                                  |
| -                         | -                                 | -                        | -                                              | -                                     | -                                                  |
| -                         | 77,428                            | -                        | -                                              | -                                     | -                                                  |
| 19,934                    | -                                 | -                        | -                                              | -                                     | -                                                  |
| -                         | -                                 | -                        | -                                              | -                                     | -                                                  |
| -                         | -                                 | -                        | 173,000                                        | -                                     | -                                                  |
| -                         | -                                 | -                        | 19,306                                         | -                                     | (9,662)                                            |
| <u>176,640</u>            | <u>77,428</u>                     | <u>61,502</u>            | <u>720,954</u>                                 | <u>78,441</u>                         | <u>(9,662)</u>                                     |
| <u>25,980</u>             | <u>620,551</u>                    | <u>(26,645)</u>          | <u>28,002</u>                                  | <u>(67,905)</u>                       | <u>9,662</u>                                       |
| -                         | -                                 | 557,952                  | -                                              | -                                     | -                                                  |
| -                         | (232,629)                         | (90,813)                 | -                                              | -                                     | -                                                  |
| -                         | -                                 | -                        | -                                              | -                                     | -                                                  |
| <u>-</u>                  | <u>(232,629)</u>                  | <u>467,139</u>           | <u>-</u>                                       | <u>-</u>                              | <u>-</u>                                           |
| 25,980                    | 387,922                           | 440,494                  | 28,002                                         | (67,905)                              | 9,662                                              |
| (11,069)                  | 730,130                           | 798,530                  | (37,803)                                       | 238,571                               | 202,445                                            |
| <u>\$ 14,911</u>          | <u>\$ 1,118,052</u>               | <u>\$ 1,239,024</u>      | <u>\$ (9,801)</u>                              | <u>\$ 170,666</u>                     | <u>\$ 212,107</u>                                  |

# City of Denison, Texas

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)

### NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

|                                                 | Project<br>Participation | Federal<br>Forfeitures | Fire<br>Equipment | Fire<br>Training |
|-------------------------------------------------|--------------------------|------------------------|-------------------|------------------|
| <b>Revenues</b>                                 |                          |                        |                   |                  |
| Property tax                                    | \$ -                     | \$ -                   | \$ -              | \$ -             |
| Franchise and local taxes                       | -                        | -                      | -                 | -                |
| Intergovernmental                               | -                        | -                      | 921               | 3,800            |
| Charges for services                            | -                        | -                      | -                 | -                |
| Fines and forfeitures                           | -                        | -                      | -                 | -                |
| Investment income                               | 40,782                   | 1,014                  | -                 | 125              |
| Contributions and donations                     | -                        | -                      | -                 | -                |
| Other revenue                                   | -                        | -                      | -                 | -                |
| <b>Total Revenues</b>                           | <u>40,782</u>            | <u>1,014</u>           | <u>921</u>        | <u>3,925</u>     |
| <b>Expenditures</b>                             |                          |                        |                   |                  |
| Current:                                        |                          |                        |                   |                  |
| General government                              | -                        | -                      | -                 | -                |
| Public safety                                   | -                        | 2,319                  | -                 | 5,814            |
| Community services                              | -                        | -                      | -                 | -                |
| Public works                                    | -                        | -                      | -                 | -                |
| Capital outlay                                  | 1,399,971                | -                      | -                 | -                |
| Debt Service:                                   |                          |                        |                   |                  |
| Principal                                       | -                        | -                      | -                 | -                |
| Interest and fiscal charges                     | -                        | -                      | -                 | -                |
| <b>Total Expenditures</b>                       | <u>1,399,971</u>         | <u>2,319</u>           | <u>-</u>          | <u>5,814</u>     |
| <b>Revenues Over<br/>(Under) Expenditures</b>   | <u>(1,359,189)</u>       | <u>(1,305)</u>         | <u>921</u>        | <u>(1,889)</u>   |
| <b>Other Financing Sources (Uses)</b>           |                          |                        |                   |                  |
| Transfers in                                    | -                        | -                      | 1,070             | -                |
| Transfers (out)                                 | -                        | -                      | -                 | (1,070)          |
| Bond issuance                                   | -                        | -                      | -                 | -                |
| <b>Total Other Financing<br/>Sources (Uses)</b> | <u>-</u>                 | <u>-</u>               | <u>1,070</u>      | <u>(1,070)</u>   |
| <b>Net Change in Fund Balances</b>              | <u>(1,359,189)</u>       | <u>(1,305)</u>         | <u>1,991</u>      | <u>(2,959)</u>   |
| Beginning fund balances                         | 2,325,038                | 54,703                 | (1,991)           | 6,991            |
| <b>Ending Fund Balances</b>                     | <u>\$ 965,849</u>        | <u>\$ 53,398</u>       | <u>\$ -</u>       | <u>\$ 4,032</u>  |

| <b>Canine</b>   | <b>Homeland<br/>Security<br/>Grant</b> | <b>Police<br/>Equipment</b> | <b>THF<br/>Park</b> | <b>Retiree<br/>Medical</b> | <b>Park<br/>Dedication</b> |
|-----------------|----------------------------------------|-----------------------------|---------------------|----------------------------|----------------------------|
| \$ -            | \$ -                                   | \$ -                        | \$ -                | \$ -                       | \$ -                       |
| -               | -                                      | -                           | -                   | -                          | -                          |
| -               | -                                      | 19,192                      | -                   | -                          | -                          |
| -               | -                                      | -                           | -                   | -                          | -                          |
| -               | -                                      | -                           | -                   | -                          | -                          |
| 93              | 38                                     | 156                         | 2                   | 221                        | 1,859                      |
| -               | -                                      | -                           | -                   | -                          | -                          |
| 1,981           | -                                      | -                           | -                   | -                          | -                          |
| <u>2,074</u>    | <u>38</u>                              | <u>19,348</u>               | <u>2</u>            | <u>221</u>                 | <u>1,859</u>               |
| -               | -                                      | -                           | -                   | -                          | -                          |
| 1,833           | 2,067                                  | -                           | -                   | -                          | -                          |
| -               | -                                      | -                           | -                   | -                          | -                          |
| -               | -                                      | -                           | -                   | -                          | -                          |
| -               | -                                      | -                           | -                   | -                          | -                          |
| -               | -                                      | -                           | -                   | -                          | -                          |
| <u>1,833</u>    | <u>2,067</u>                           | <u>-</u>                    | <u>-</u>            | <u>-</u>                   | <u>-</u>                   |
| <u>241</u>      | <u>(2,029)</u>                         | <u>19,348</u>               | <u>2</u>            | <u>221</u>                 | <u>1,859</u>               |
| -               | -                                      | -                           | -                   | -                          | -                          |
| -               | -                                      | -                           | -                   | -                          | -                          |
| <u>-</u>        | <u>-</u>                               | <u>-</u>                    | <u>-</u>            | <u>-</u>                   | <u>-</u>                   |
| -               | -                                      | -                           | -                   | -                          | -                          |
| 241             | (2,029)                                | 19,348                      | 2                   | 221                        | 1,859                      |
| 2,668           | 2,029                                  | 1,001                       | 65                  | -                          | 55,731                     |
| <u>\$ 2,909</u> | <u>\$ -</u>                            | <u>\$ 20,349</u>            | <u>\$ 67</u>        | <u>\$ 221</u>              | <u>\$ 57,590</u>           |

# City of Denison, Texas

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED) NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

|                                                 | Law<br>Enforcement<br>Forfeitures | Police<br>Training | Municipal<br>Court<br>Security | Municipal<br>Court<br>Technology |
|-------------------------------------------------|-----------------------------------|--------------------|--------------------------------|----------------------------------|
| <b>Revenues</b>                                 |                                   |                    |                                |                                  |
| Property tax                                    | \$ -                              | \$ -               | \$ -                           | \$ -                             |
| Franchise and local taxes                       | -                                 | -                  | -                              | -                                |
| Intergovernmental                               | 16,432                            | -                  | -                              | -                                |
| Charges for services                            | -                                 | -                  | -                              | -                                |
| Fines and forfeitures                           | -                                 | -                  | 11,047                         | 9,167                            |
| Investment income                               | 912                               | 120                | 994                            | 966                              |
| Contributions and donations                     | -                                 | -                  | -                              | -                                |
| Other revenue                                   | -                                 | 4,707              | -                              | -                                |
| <b>Total Revenues</b>                           | <u>17,344</u>                     | <u>4,827</u>       | <u>12,041</u>                  | <u>10,133</u>                    |
| <b>Expenditures</b>                             |                                   |                    |                                |                                  |
| Current:                                        |                                   |                    |                                |                                  |
| General government                              | -                                 | -                  | -                              | -                                |
| Public safety                                   | 26,523                            | 2,757              | -                              | -                                |
| Community services                              | -                                 | -                  | 629                            | 9,288                            |
| Public works                                    | -                                 | -                  | -                              | -                                |
| Capital outlay                                  | -                                 | -                  | -                              | -                                |
| Debt Service:                                   |                                   |                    |                                |                                  |
| Principal                                       | -                                 | -                  | -                              | -                                |
| Interest and fiscal charges                     | -                                 | -                  | -                              | -                                |
| <b>Total Expenditures</b>                       | <u>26,523</u>                     | <u>2,757</u>       | <u>629</u>                     | <u>9,288</u>                     |
| <b>Revenues Over<br/>(Under) Expenditures</b>   | <u>(9,179)</u>                    | <u>2,070</u>       | <u>11,412</u>                  | <u>845</u>                       |
| <b>Other Financing Sources (Uses)</b>           |                                   |                    |                                |                                  |
| Transfers in                                    | -                                 | -                  | -                              | -                                |
| Transfers (out)                                 | -                                 | -                  | (4,500)                        | -                                |
| Bond issuance                                   | -                                 | -                  | -                              | -                                |
| <b>Total Other Financing<br/>Sources (Uses)</b> | <u>-</u>                          | <u>-</u>           | <u>(4,500)</u>                 | <u>-</u>                         |
| <b>Net Change in Fund Balances</b>              | <u>(9,179)</u>                    | <u>2,070</u>       | <u>6,912</u>                   | <u>845</u>                       |
| Beginning fund balances                         | 38,302                            | -                  | 22,529                         | 30,242                           |
| <b>Ending Fund Balances</b>                     | <u>\$ 29,123</u>                  | <u>\$ 2,070</u>    | <u>\$ 29,441</u>               | <u>\$ 31,087</u>                 |

| <b>Truancy &amp;<br/>Prevention<br/>Diversion</b> | <b>Municipal<br/>Jury</b> | <b>Improvement<br/>Fund</b> | <b>Hotel<br/>Occupancy<br/>Tax</b> | <b>Federal<br/>Relief</b> | <b>Opioid<br/>Remediation</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|---------------------------------------------------|---------------------------|-----------------------------|------------------------------------|---------------------------|-------------------------------|------------------------------------------------------|
| \$ -                                              | \$ -                      | \$ -                        | \$ -                               | \$ -                      | \$ -                          | \$ 1,858,775                                         |
| -                                                 | -                         | -                           | 1,077,288                          | -                         | -                             | 1,077,288                                            |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 1,396,030                                            |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 651,206                                              |
| 10,978                                            | 219                       | -                           | -                                  | -                         | -                             | 31,411                                               |
| 1,096                                             | 22                        | 141                         | 16,646                             | 98,081                    | 1,889                         | 787,616                                              |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 554                                                  |
| -                                                 | -                         | -                           | -                                  | -                         | 66,057                        | 516,607                                              |
| <u>12,074</u>                                     | <u>241</u>                | <u>141</u>                  | <u>1,093,934</u>                   | <u>98,081</u>             | <u>67,946</u>                 | <u>6,319,487</u>                                     |
| -                                                 | -                         | -                           | -                                  | 978,505                   | -                             | 1,803,802                                            |
| -                                                 | -                         | -                           | 194,830                            | -                         | -                             | 236,143                                              |
| -                                                 | -                         | -                           | -                                  | 171,345                   | -                             | 258,690                                              |
| -                                                 | -                         | -                           | -                                  | 488,083                   | -                             | 508,017                                              |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 5,068,425                                            |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 305,265                                              |
| -                                                 | -                         | -                           | -                                  | -                         | -                             | 62,419                                               |
| <u>-</u>                                          | <u>-</u>                  | <u>-</u>                    | <u>194,830</u>                     | <u>1,637,933</u>          | <u>-</u>                      | <u>8,242,761</u>                                     |
| <u>12,074</u>                                     | <u>241</u>                | <u>141</u>                  | <u>899,104</u>                     | <u>(1,539,852)</u>        | <u>67,946</u>                 | <u>(1,923,274)</u>                                   |
| -                                                 | -                         | -                           | 31,515                             | -                         | -                             | 1,585,894                                            |
| -                                                 | -                         | -                           | (425,612)                          | -                         | -                             | (2,971,183)                                          |
| <u>-</u>                                          | <u>-</u>                  | <u>-</u>                    | <u>-</u>                           | <u>-</u>                  | <u>-</u>                      | <u>1,140,000</u>                                     |
| <u>-</u>                                          | <u>-</u>                  | <u>-</u>                    | <u>(394,097)</u>                   | <u>-</u>                  | <u>-</u>                      | <u>(245,289)</u>                                     |
| 12,074                                            | 241                       | 141                         | 505,007                            | (1,539,852)               | 67,946                        | (2,168,563)                                          |
| 25,036                                            | 500                       | 4,236                       | 25,000                             | 4,135,123                 | -                             | 20,006,924                                           |
| <u>\$ 37,110</u>                                  | <u>\$ 741</u>             | <u>\$ 4,377</u>             | <u>\$ 530,007</u>                  | <u>\$ 2,595,271</u>       | <u>\$ 67,946</u>              | <u>\$ 17,838,361</u>                                 |

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**TAX INCREMENT REINVESTMENT ZONE**  
**For the Year Ended September 30, 2023**

|                                              | Original &<br>Final Budget | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------|----------------------------|---------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                       |                            |                     |                                                         |
| Property tax                                 | \$ 2,096,746               | \$ 1,858,775        | \$ (237,971)                                            |
| Investment income                            | 4,815                      | 58,048              | 53,233                                                  |
| <b>Total Revenues</b>                        | <u>2,101,561</u>           | <u>1,916,823</u>    | <u>(184,738)</u>                                        |
| <b><u>Expenditures</u></b>                   |                            |                     |                                                         |
| Capital outlay                               | -                          | 568,869             | (568,869)                                               |
| Debt Service:                                |                            |                     |                                                         |
| Principal                                    | 132,265                    | 132,265             | -                                                       |
| Interest and fiscal charges                  | 12,000                     | 12,200              | (200)                                                   |
| <b>Total Expenditures</b>                    | <u>144,265</u>             | <u>713,334</u>      | <u>(569,069) *</u>                                      |
| <b>Revenues Over (Under) Expenditures</b>    | <u>1,957,296</u>           | <u>1,203,489</u>    | <u>(753,807)</u>                                        |
| <b><u>Other Financing Sources (Uses)</u></b> |                            |                     |                                                         |
| Transfers (out)                              | (524,451)                  | (529,556)           | (5,105) *                                               |
| <b>Total Other Financing Sources (Uses)</b>  | <u>(524,451)</u>           | <u>(529,556)</u>    | <u>(5,105)</u>                                          |
| <b>Net Change in Fund Balances</b>           | <u>\$ 1,432,845</u>        | <u>673,933</u>      | <u>\$ (758,912)</u>                                     |
| Beginning fund balances                      |                            | 651,941             |                                                         |
| <b>Ending Fund Balances</b>                  |                            | <u>\$ 1,325,874</u> |                                                         |

Notes to Other Supplementary Information

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

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



# City of Denison, Texas

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

For the Year Ended September 30, 2023

|                                              | Original &<br>Final Budget | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------|----------------------------|---------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                       |                            |                     |                                                         |
| Intergovernmental                            | \$ 793,519                 | \$ 824,386          | \$ 30,867                                               |
| Investment income                            | 4,000                      | 155,798             | 151,798                                                 |
| <b>Total Revenues</b>                        | <b>797,519</b>             | <b>980,184</b>      | <b>182,665</b>                                          |
| <b><u>Expenditures</u></b>                   |                            |                     |                                                         |
| Capital outlay                               | 3,314,301                  | 2,332,278           | 982,023                                                 |
| Debt Service:                                |                            |                     |                                                         |
| Interest and fiscal charges                  | 153,405                    | 40,575              | 112,830                                                 |
| <b>Total Expenditures</b>                    | <b>3,467,706</b>           | <b>2,372,853</b>    | <b>1,094,853</b>                                        |
| <b>Revenues Over (Under) Expenditures</b>    | <b>(2,670,187)</b>         | <b>(1,392,669)</b>  | <b>1,277,518</b>                                        |
| <b><u>Other Financing Sources (Uses)</u></b> |                            |                     |                                                         |
| Transfers in                                 | -                          | 357                 | 357                                                     |
| Transfers (out)                              | (1,616,221)                | (1,616,221)         | -                                                       |
| Bond issuance                                | -                          | 1,140,000           | 1,140,000                                               |
| <b>Total Other Financing Sources (Uses)</b>  | <b>(1,616,221)</b>         | <b>(475,864)</b>    | <b>1,140,357</b>                                        |
| <b>Net Change in Fund Balances</b>           | <b>\$ (4,286,408)</b>      | <b>(1,868,533)</b>  | <b>\$ 2,417,875</b>                                     |
| Beginning fund balances                      |                            | 3,655,593           |                                                         |
| <b>Ending Fund Balances</b>                  |                            | <b>\$ 1,787,060</b> |                                                         |

Notes to Other Supplementary Information

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**CEMETERY PRE-PAY O&C**  
**For the Year Ended September 30, 2023**

|                                                  | Original &<br>Final Budget | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------------------|----------------------------|-------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                           |                            |                   |                                                         |
| Charges for services                             | \$ 12,000                  | \$ 8,752          | \$ (3,248)                                              |
| Investment income                                | 550                        | 5,253             | 4,703                                                   |
| <b>Total Revenues</b>                            | <b>12,550</b>              | <b>14,005</b>     | <b>1,455</b>                                            |
| <br><b>Revenues Over (Under) Expenditures</b>    | <br><b>12,550</b>          | <br><b>14,005</b> | <br><b>1,455</b>                                        |
| <br><b><u>Other Financing Sources (Uses)</u></b> |                            |                   |                                                         |
| Transfers (out)                                  | (12,000)                   | (8,752)           | 3,248                                                   |
| <b>Total Other Financing Sources (Uses)</b>      | <b>(12,000)</b>            | <b>(8,752)</b>    | <b>3,248</b>                                            |
| <br><b>Net Change in Fund Balances</b>           | <br><b>\$ 550</b>          | <br><b>5,253</b>  | <br><b>\$ 4,703</b>                                     |
| Beginning fund balances                          |                            | 11,019            |                                                         |
| <b>Ending Fund Balances</b>                      |                            | <b>\$ 16,272</b>  |                                                         |

Notes to Other Supplementary Information

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**STREET IMPROVEMENT**  
**For the Year Ended September 30, 2023**

|                                              | Original &<br>Final Budget | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------|----------------------------|---------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                       |                            |                     |                                                         |
| Investment income                            | \$ 5,000                   | \$ 326,581          | \$ 321,581                                              |
| <b>Total Revenues</b>                        | <b>5,000</b>               | <b>326,581</b>      | <b>321,581</b>                                          |
| <b><u>Expenditures</u></b>                   |                            |                     |                                                         |
| Capital outlay                               | 7,980,973                  | 767,307             | 7,213,666                                               |
| <b>Total Expenditures</b>                    | <b>7,980,973</b>           | <b>767,307</b>      | <b>7,213,666</b>                                        |
| <b>Revenues Over (Under) Expenditures</b>    | <b>(7,975,973)</b>         | <b>(440,726)</b>    | <b>7,535,247</b>                                        |
| <b><u>Other Financing Sources (Uses)</u></b> |                            |                     |                                                         |
| Transfers in                                 | 945,000                    | 995,000             | 50,000                                                  |
| Transfers (out)                              | -                          | (62,030)            | (62,030)                                                |
| <b>Total Other Financing Sources (Uses)</b>  | <b>945,000</b>             | <b>932,970</b>      | <b>(12,030)</b>                                         |
| <b>Net Change in Fund Balances</b>           | <b>\$ (7,030,973)</b>      | <b>492,244</b>      | <b>\$ 7,523,217</b>                                     |
| Beginning fund balances                      |                            | 7,040,364           |                                                         |
| <b>Ending Fund Balances</b>                  |                            | <b>\$ 7,532,608</b> |                                                         |

Notes to Other Supplementary Information

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**DENISON PUBLIC LIBRARY**  
**For the Year Ended September 30, 2023**

|                                              | Original &<br>Final Budget | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------|----------------------------|-------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                       |                            |                   |                                                         |
| Intergovernmental                            | \$ 91,500                  | \$ 4,649          | \$ (86,851)                                             |
| Investment income                            | 1,000                      | 5,887             | 4,887                                                   |
| <b>Total Revenues</b>                        | <b>92,500</b>              | <b>10,536</b>     | <b>(81,964)</b>                                         |
| <b><u>Expenditures</u></b>                   |                            |                   |                                                         |
| Current:                                     |                            |                   |                                                         |
| General government                           | 21,050                     | 78,441            | (57,391) *                                              |
| <b>Total Expenditures</b>                    | <b>21,050</b>              | <b>78,441</b>     | <b>(57,391)</b>                                         |
| <b><u>Other Financing Sources (Uses)</u></b> |                            |                   |                                                         |
| Transfers (out)                              | (50,000)                   | -                 | 50,000                                                  |
| <b>Total Other Financing Sources (Uses)</b>  | <b>(50,000)</b>            | <b>-</b>          | <b>50,000</b>                                           |
| <b>Net Change in Fund Balances</b>           | <b>\$ 21,450</b>           | <b>(67,905)</b>   | <b>\$ (89,355)</b>                                      |
| Beginning fund balances                      |                            | 238,571           |                                                         |
| <b>Ending Fund Balances</b>                  |                            | <b>\$ 170,666</b> |                                                         |

Notes to Other Supplementary Information

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

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

# City of Denison, Texas

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

For the Year Ended September 30, 2023

|                                           | Original &<br>Final Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------------|----------------------------|------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                    |                            |                  |                                                         |
| Investment income                         | \$ 50                      | \$ 1,014         | \$ 964                                                  |
| <b>Total Revenues</b>                     | <u>50</u>                  | <u>1,014</u>     | <u>964</u>                                              |
| <b><u>Expenditures</u></b>                |                            |                  |                                                         |
| Current:                                  |                            |                  |                                                         |
| Public safety                             | 19,053                     | 2,319            | 16,734                                                  |
| <b>Total Expenditures</b>                 | <u>19,053</u>              | <u>2,319</u>     | <u>16,734</u>                                           |
| <b>Revenues Over (Under) Expenditures</b> | <u>(19,003)</u>            | <u>(1,305)</u>   | <u>17,698</u>                                           |
| <b>Net Change in Fund Balances</b>        | <u>\$ (19,003)</u>         | <u>(1,305)</u>   | <u>\$ 17,698</u>                                        |
| Beginning fund balances                   |                            | 54,703           |                                                         |
| <b>Ending Fund Balances</b>               |                            | <u>\$ 53,398</u> |                                                         |

Notes to Other Supplementary Information

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

# City of Denison, Texas

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

For the Year Ended September 30, 2023

|                                              | Original &<br>Final Budget | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------|----------------------------|--------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                       |                            |              |                                                         |
| Intergovernmental                            | \$ 1,000                   | \$ 921       | \$ (79)                                                 |
| Investment income                            | 10                         | -            | (10)                                                    |
| <b>Total Revenues</b>                        | <b>1,010</b>               | <b>921</b>   | <b>(89)</b>                                             |
| <b><u>Expenditures</u></b>                   |                            |              |                                                         |
| Current:                                     |                            |              |                                                         |
| Public safety                                | 2,500                      | -            | 2,500                                                   |
| <b>Total Expenditures</b>                    | <b>2,500</b>               | <b>-</b>     | <b>2,500</b>                                            |
| <b>Revenues Over (Under) Expenditures</b>    | <b>(1,490)</b>             | <b>921</b>   | <b>2,411</b>                                            |
| <b><u>Other Financing Sources (Uses)</u></b> |                            |              |                                                         |
| Transfers in                                 | -                          | 1,070        | 1,070                                                   |
| <b>Total Other Financing Sources (Uses)</b>  | <b>-</b>                   | <b>1,070</b> | <b>1,070</b>                                            |
| <b>Net Change in Fund Balances</b>           | <b>\$ (1,490)</b>          | <b>1,991</b> | <b>\$ 3,481</b>                                         |
| Beginning fund balances                      |                            | (1,991)      |                                                         |
| <b>Ending Fund Balances</b>                  |                            | <b>\$ -</b>  |                                                         |

Notes to Other Supplementary Information

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

# City of Denison, Texas

## *SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL PARKS & RECREATION*

For the Year Ended September 30, 2023

|                                              | Original &<br>Final Budget | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------|----------------------------|---------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                       |                            |                     |                                                         |
| Charges for services                         | \$ 560,000                 | \$ 612,454          | \$ 52,454                                               |
| Investment income                            | 2,300                      | 36,035              | 33,735                                                  |
| Contributions                                | -                          | 554                 | 554                                                     |
| Other revenue                                | 13,000                     | 48,936              | 35,936                                                  |
| <b>Total Revenues</b>                        | <b>575,300</b>             | <b>697,979</b>      | <b>122,679</b>                                          |
| <b><u>Expenditures</u></b>                   |                            |                     |                                                         |
| Current:                                     |                            |                     |                                                         |
| Culture and recreation                       | 543,000                    | 77,428              | 465,572                                                 |
| <b>Total Expenditures</b>                    | <b>543,000</b>             | <b>77,428</b>       | <b>465,572</b>                                          |
| <b>Revenues Over (Under) Expenditures</b>    | <b>32,300</b>              | <b>620,551</b>      | <b>588,251</b>                                          |
| <b><u>Other Financing Sources (Uses)</u></b> |                            |                     |                                                         |
| Transfers (out)                              | -                          | (232,629)           | (232,629)                                               |
| <b>Total Other Financing Sources (Uses)</b>  | <b>-</b>                   | <b>(232,629)</b>    | <b>(232,629)</b>                                        |
| <b>Net Change in Fund Balances</b>           | <b>\$ 32,300</b>           | <b>387,922</b>      | <b>\$ 355,622</b>                                       |
| Beginning fund balances                      |                            | 730,130             |                                                         |
| <b>Ending Fund Balances</b>                  |                            | <b>\$ 1,118,052</b> |                                                         |

Notes to Other Supplementary Information

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**LAW ENFORCEMENT FORFEITURES**  
**For the Year Ended September 30, 2023**

|                                    | Original &<br>Final Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|----------------------------|------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>             |                            |                  |                                                         |
| Fines and forfeitures              | \$ 35,000                  | \$ -             | \$ (35,000)                                             |
| Intergovernmental                  | -                          | 16,432           | 16,432                                                  |
| Investment income                  | 200                        | 912              | 712                                                     |
| <b>Total Revenues</b>              | <u>35,200</u>              | <u>17,344</u>    | <u>(17,856)</u>                                         |
| <b><u>Expenditures</u></b>         |                            |                  |                                                         |
| Current:                           |                            |                  |                                                         |
| Public safety                      | 33,750                     | 26,523           | 7,227                                                   |
| <b>Total Expenditures</b>          | <u>33,750</u>              | <u>26,523</u>    | <u>7,227</u>                                            |
| <b>Net Change in Fund Balances</b> | <u>\$ 1,450</u>            | <u>(9,179)</u>   | <u>\$ (10,629)</u>                                      |
| Beginning fund balances            |                            | 38,302           |                                                         |
| <b>Ending Fund Balances</b>        |                            | <u>\$ 29,123</u> |                                                         |

Notes to Other Supplementary Information

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



**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL EVENTS**  
**For the Year Ended September 30, 2023**

|                                           | Original &<br>Final Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------------|----------------------------|------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                    |                            |                  |                                                         |
| Other income                              | \$ 194,000                 | \$ 202,620       | \$ 8,620                                                |
| <b>Total Revenues</b>                     | <b>194,005</b>             | <b>202,620</b>   | <b>8,615</b>                                            |
| <b><u>Expenditures</u></b>                |                            |                  |                                                         |
| Current:                                  |                            |                  |                                                         |
| General government                        | 192,000                    | 156,706          | 35,294                                                  |
| Public works                              | 2,000                      | 19,934           | (17,934) *                                              |
| <b>Total Expenditures</b>                 | <b>194,000</b>             | <b>176,640</b>   | <b>35,294</b>                                           |
| <b>Revenues Over (Under) Expenditures</b> | <b>5</b>                   | <b>25,980</b>    | <b>43,909</b>                                           |
| <b>Net Change in Fund Balances</b>        | <b>\$ 5</b>                | <b>25,980</b>    | <b>\$ 43,909</b>                                        |
| Beginning fund balances                   |                            | (11,069)         |                                                         |
| <b>Ending Fund Balances</b>               |                            | <b>\$ 14,911</b> |                                                         |

Notes to Other Supplementary Information

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

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

# City of Denison, Texas

## *SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MUNICIPAL COURT SECURITY For the Year Ended September 30, 2023*

|                                              | Original &<br>Final Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------|----------------------------|------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                       |                            |                  |                                                         |
| Fines and forfeitures                        | \$ 10,000                  | \$ 11,047        | \$ 1,047                                                |
| Investment income                            | 80                         | 994              | 914                                                     |
| <b>Total Revenues</b>                        | <u>10,080</u>              | <u>12,041</u>    | <u>1,961</u>                                            |
| <b><u>Expenditures</u></b>                   |                            |                  |                                                         |
| Current:                                     |                            |                  |                                                         |
| Public service                               | 4,500                      | 629              | 3,871                                                   |
| <b>Total Expenditures</b>                    | <u>4,500</u>               | <u>629</u>       | <u>3,871</u>                                            |
| <b>Revenues Over (Under) Expenditures</b>    | <u>5,580</u>               | <u>11,412</u>    | <u>5,832</u>                                            |
| <b><u>Other Financing Sources (Uses)</u></b> |                            |                  |                                                         |
| Transfers (out)                              | (15,000)                   | (4,500)          | 10,500                                                  |
| <b>Total Other Financing Sources (Uses)</b>  | <u>(15,000)</u>            | <u>(4,500)</u>   | <u>10,500</u>                                           |
| <b>Net Change in Fund Balances</b>           | <u>\$ (9,420)</u>          | 6,912            | <u>\$ 16,332</u>                                        |
| Beginning fund balances                      |                            | 22,529           |                                                         |
| <b>Ending Fund Balances</b>                  |                            | <u>\$ 29,441</u> |                                                         |

### Notes to Other Supplementary Information

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**MUNICIPAL COURT TECHNOLOGY**  
**For the Year Ended September 30, 2023**

|                                           | Original &<br>Final Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------------|----------------------------|------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                    |                            |                  |                                                         |
| Fines and forfeitures                     | \$ 9,000                   | \$ 9,167         | \$ 167                                                  |
| Investment income                         | 25                         | 966              | 941                                                     |
| <b>Total Revenues</b>                     | <b>9,025</b>               | <b>10,133</b>    | <b>1,108</b>                                            |
| <b><u>Expenditures</u></b>                |                            |                  |                                                         |
| Current:                                  |                            |                  |                                                         |
| Public service                            | 26,000                     | 9,288            | 16,712                                                  |
| <b>Total Expenditures</b>                 | <b>26,000</b>              | <b>9,288</b>     | <b>16,712</b>                                           |
| <b>Revenues Over (Under) Expenditures</b> | <b>(16,975)</b>            | <b>845</b>       | <b>17,820</b>                                           |
| <b>Net Change in Fund Balances</b>        | <b>\$ (16,975)</b>         | <b>845</b>       | <b>\$ 17,820</b>                                        |
| Beginning fund balances                   |                            | 30,242           |                                                         |
| <b>Ending Fund Balances</b>               |                            | <b>\$ 31,087</b> |                                                         |

Notes to Other Supplementary Information

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FIRE TRAINING**  
**For the Year Ended September 30, 2023**

|                                           | Original &<br>Final Budget | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------------|----------------------------|-----------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                    |                            |                 |                                                         |
| Intergovernmental                         | \$ 1,050                   | \$ 3,800        | \$ 2,750                                                |
| Investment income                         | 25                         | 125             | 100                                                     |
| <b>Total Revenues</b>                     | <b>1,075</b>               | <b>3,925</b>    | <b>2,850</b>                                            |
| <b><u>Expenditures</u></b>                |                            |                 |                                                         |
| Current:                                  |                            |                 |                                                         |
| Public safety                             | 2,000                      | 5,814           | (3,814) *                                               |
| <b>Total Expenditures</b>                 | <b>2,000</b>               | <b>5,814</b>    | <b>(3,814)</b>                                          |
| <b>Revenues Over (Under) Expenditures</b> | <b>(925)</b>               | <b>(1,889)</b>  | <b>(964)</b>                                            |
| <b>Net Change in Fund Balances</b>        | <b>\$ (925)</b>            | <b>(2,959)</b>  | <b>\$ (2,034)</b>                                       |
| Beginning fund balances                   |                            | 6,991           |                                                         |
| <b>Ending Fund Balances</b>               |                            | <b>\$ 4,032</b> |                                                         |

Notes to Other Supplementary Information

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

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**HOMELAND SECURITY GRANT**  
**For the Year Ended September 30, 2023**

|                                           | Original &<br>Final Budget | Actual         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------------|----------------------------|----------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                    |                            |                |                                                         |
| Investment income                         | \$ 7                       | \$ 38          | \$ 31                                                   |
| <b>Total Revenues</b>                     | <u>7</u>                   | <u>38</u>      | <u>31</u>                                               |
| <b><u>Expenditures</u></b>                |                            |                |                                                         |
| Current:                                  |                            |                |                                                         |
| Public safety                             | -                          | 2,067          | (2,067)                                                 |
| <b>Total Expenditures</b>                 | <u>-</u>                   | <u>2,067</u>   | <u>(2,067) *</u>                                        |
| <b>Revenues Over (Under) Expenditures</b> | <u>7</u>                   | <u>(2,029)</u> | <u>(2,036)</u>                                          |
| <b>Net Change in Fund Balances</b>        | <u>\$ 7</u>                | <u>(2,029)</u> | <u>\$ (2,036)</u>                                       |
| Beginning fund balances                   |                            | 2,029          |                                                         |
| <b>Ending Fund Balances</b>               |                            | <u>\$ -</u>    |                                                         |

Notes to Other Supplementary Information

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

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**RETIREE MEDICAL**  
**For the Year Ended September 30, 2023**

|                                    | Original &<br>Final Budget | Actual        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|----------------------------|---------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>             |                            |               |                                                         |
| Donations and fundraisers          | \$ 1,600,000               | \$ -          | \$ (1,600,000)                                          |
| Investment income                  | -                          | 221           | 221                                                     |
| <b>Total Revenues</b>              | <u>1,600,000</u>           | <u>221</u>    | <u>(1,599,779)</u>                                      |
| <b><u>Expenditures</u></b>         |                            |               |                                                         |
| Current:                           |                            |               |                                                         |
| General government                 | 1,600,000                  | -             | 1,600,000                                               |
| <b>Total Expenditures</b>          | <u>1,600,000</u>           | <u>-</u>      | <u>1,600,000</u>                                        |
| <b>Net Change in Fund Balances</b> | <u>\$ -</u>                | <u>221</u>    | <u>\$ 221</u>                                           |
| Beginning fund balances            |                            | -             |                                                         |
| <b>Ending Fund Balances</b>        |                            | <u>\$ 221</u> |                                                         |

Notes to Other Supplementary Information

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

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**CANINE**  
**For the Year Ended September 30, 2023**

|                                    | Original &<br>Final Budget | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|----------------------------|-----------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>             |                            |                 |                                                         |
| Other revenue                      | \$ -                       | \$ 1,981        | \$ 1,981                                                |
| Investment income                  | 2                          | 93              | 91                                                      |
| <b>Total Revenues</b>              | <b>2</b>                   | <b>2,074</b>    | <b>2,072</b>                                            |
| <b><u>Expenditures</u></b>         |                            |                 |                                                         |
| Current:                           |                            |                 |                                                         |
| Public safety                      | 250                        | 1,833           | (1,583)                                                 |
| <b>Total Expenditures</b>          | <b>250</b>                 | <b>1,833</b>    | <b>(1,583) *</b>                                        |
| <b>Net Change in Fund Balances</b> | <b>\$ (248)</b>            | <b>241</b>      | <b>\$ 489</b>                                           |
| Beginning fund balances            |                            | 2,668           |                                                         |
| <b>Ending Fund Balances</b>        |                            | <b>\$ 2,909</b> |                                                         |

Notes to Other Supplementary Information

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

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**POLICE TRAINING**  
**For the Year Ended September 30, 2023**

|                                           | Original &<br>Final Budget | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------------|----------------------------|-----------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                    |                            |                 |                                                         |
| Investment income                         | \$ 3                       | \$ 120          | \$ 117                                                  |
| Other revenue                             | 1,500                      | 4,707           | 3,207                                                   |
| <b>Total Revenues</b>                     | <b>1,503</b>               | <b>4,827</b>    | <b>3,324</b>                                            |
| <b><u>Expenditures</u></b>                |                            |                 |                                                         |
| Current:                                  |                            |                 |                                                         |
| Public safety                             | 1,503                      | 2,757           | (1,254) *                                               |
| <b>Total Expenditures</b>                 | <b>1,503</b>               | <b>2,757</b>    | <b>(1,254)</b>                                          |
| <b>Revenues Over (Under) Expenditures</b> | <b>-</b>                   | <b>2,070</b>    | <b>2,070</b>                                            |
| <b>Net Change in Fund Balances</b>        | <b>\$ -</b>                | <b>2,070</b>    | <b>\$ 2,070</b>                                         |
| Beginning fund balances                   |                            | -               |                                                         |
| <b>Ending Fund Balances</b>               |                            | <b>\$ 2,070</b> |                                                         |

Notes to Other Supplementary Information

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

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



# City of Denison, Texas

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

For the Year Ended September 30, 2023

|                                           | Original &<br>Final Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------------|----------------------------|------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                    |                            |                  |                                                         |
| Intergovernmental                         | \$ 1,000                   | \$ 19,192        | \$ 18,192                                               |
| Investment income                         | 5                          | 156              | 151                                                     |
| <b>Total Revenues</b>                     | <u>1,005</u>               | <u>19,348</u>    | <u>18,343</u>                                           |
| <b><u>Expenditures</u></b>                |                            |                  |                                                         |
| Current:                                  |                            |                  |                                                         |
| Public safety                             | 1,500                      | -                | 1,500                                                   |
| <b>Total Expenditures</b>                 | <u>1,500</u>               | <u>-</u>         | <u>1,500</u>                                            |
| <b>Revenues Over (Under) Expenditures</b> | <u>(495)</u>               | <u>19,348</u>    | <u>19,843</u>                                           |
| <b>Net Change in Fund Balances</b>        | <u>\$ (495)</u>            | <u>19,348</u>    | <u>\$ 19,843</u>                                        |
| Beginning fund balances                   |                            | 1,001            |                                                         |
| <b>Ending Fund Balances</b>               |                            | <u>\$ 20,349</u> |                                                         |

Notes to Other Supplementary Information

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**TRUANCY PREVENTION & DIVERSION**  
**For the Year Ended September 30, 2023**

|                                           | Original &<br>Final Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------------|----------------------------|------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                    |                            |                  |                                                         |
| Fines and forfeitures                     | \$ 10,000                  | \$ 10,978        | \$ 978                                                  |
| Investment income                         | 80                         | 1,096            | 1,016                                                   |
| <b>Total Revenues</b>                     | <u>10,080</u>              | <u>12,074</u>    | <u>1,994</u>                                            |
| <b>Revenues Over (Under) Expenditures</b> | <u>10,080</u>              | <u>12,074</u>    | <u>1,994</u>                                            |
| <b>Net Change in Fund Balances</b>        | <u>\$ 10,080</u>           | <u>12,074</u>    | <u>\$ 1,994</u>                                         |
| Beginning fund balances                   |                            | 25,036           |                                                         |
| <b>Ending Fund Balances</b>               |                            | <u>\$ 37,110</u> |                                                         |

Notes to Other Supplementary Information

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**MUNICIPAL JURY**  
**For the Year Ended September 30, 2023**

|                                           | Original &<br>Final Budget | Actual        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------------|----------------------------|---------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                    |                            |               |                                                         |
| Fines and forfeitures                     | \$ 150                     | \$ 219        | \$ 69                                                   |
| Investment income                         | 2                          | 22            | 20                                                      |
| <b>Total Revenues</b>                     | <u>152</u>                 | <u>241</u>    | <u>89</u>                                               |
| <b>Revenues Over (Under) Expenditures</b> | <u>152</u>                 | <u>241</u>    | <u>89</u>                                               |
| <b>Net Change in Fund Balances</b>        | <u>\$ 152</u>              | <u>241</u>    | <u>\$ 89</u>                                            |
| Beginning fund balances                   |                            | 500           |                                                         |
| <b>Ending Fund Balances</b>               |                            | <u>\$ 741</u> |                                                         |

Notes to Other Supplementary Information

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**THF PARK**  
**For the Year Ended September 30, 2023**

|                                           | Original &<br>Final Budget | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------------|----------------------------|--------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                    |                            |              |                                                         |
| Other income                              | \$ 100                     | \$ -         | \$ (100)                                                |
| Investment income                         | -                          | 2            | 2                                                       |
| <b>Total Revenues</b>                     | <u>100</u>                 | <u>2</u>     | <u>(98)</u>                                             |
| <b><u>Expenditures</u></b>                |                            |              |                                                         |
| Current:                                  |                            |              |                                                         |
| General government                        | 100                        | -            | 100                                                     |
| <b>Total Expenditures</b>                 | <u>100</u>                 | <u>-</u>     | <u>100</u>                                              |
| <b>Revenues Over (Under) Expenditures</b> | <u>-</u>                   | <u>2</u>     | <u>2</u>                                                |
| <b>Net Change in Fund Balances</b>        | <u>\$ -</u>                | <u>2</u>     | <u>\$ 2</u>                                             |
| Beginning fund balances                   |                            | 65           |                                                         |
| <b>Ending Fund Balances</b>               |                            | <u>\$ 67</u> |                                                         |

Notes to Other Supplementary Information

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

# City of Denison, Texas

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

For the Year Ended September 30, 2023

|                                              | Original &<br>Final Budget | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------|----------------------------|---------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                       |                            |                     |                                                         |
| Investment income                            | \$ 2,500                   | \$ 34,857           | \$ 32,357                                               |
| <b>Total Revenues</b>                        | <u>2,500</u>               | <u>34,857</u>       | <u>32,357</u>                                           |
| <b><u>Expenditures</u></b>                   |                            |                     |                                                         |
| Current:                                     |                            |                     |                                                         |
| General government                           | 130,115                    | 61,502              | (68,613) *                                              |
| <b>Total Expenditures</b>                    | <u>130,115</u>             | <u>61,502</u>       | <u>(68,613)</u>                                         |
| <b>Revenues Over (Under) Expenditures</b>    | <u>(127,615)</u>           | <u>(26,645)</u>     | <u>(36,256)</u>                                         |
| <b><u>Other Financing Sources (Uses)</u></b> |                            |                     |                                                         |
| Transfers in                                 | 475,000                    | 557,952             | 82,952                                                  |
| Transfers (out)                              | (253,091)                  | (90,813)            | 162,278                                                 |
| <b>Total Other Financing Sources (Uses)</b>  | <u>221,909</u>             | <u>467,139</u>      | <u>245,230</u>                                          |
| <b>Net Change in Fund Balances</b>           | <u>\$ 94,294</u>           | <u>440,494</u>      | <u>\$ 208,974</u>                                       |
| Beginning fund balances                      |                            | 798,530             |                                                         |
| <b>Ending Fund Balances</b>                  |                            | <u>\$ 1,239,024</u> |                                                         |

### Notes to Other Supplementary Information

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

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

# City of Denison, Texas

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

For the Year Ended September 30, 2023

|                                    | Original &<br>Final Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|----------------------------|------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>             |                            |                  |                                                         |
| Other income                       | \$ 75,000                  | \$ -             | \$ (75,000)                                             |
| Investment income                  | 400                        | 1,859            | 1,459                                                   |
| <b>Total Revenues</b>              | <u>75,400</u>              | <u>1,859</u>     | <u>(73,541)</u>                                         |
| <b>Net Change in Fund Balances</b> | <u>\$ 75,400</u>           | <u>1,859</u>     | <u>\$ (73,541)</u>                                      |
| Beginning fund balances            |                            | 55,731           |                                                         |
| <b>Ending Fund Balances</b>        |                            | <u>\$ 57,590</u> |                                                         |

Notes to Other Supplementary Information

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**IMPROVEMENT FUND**  
**For the Year Ended September 30, 2023**

|                                    | Original &<br>Final Budget | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|----------------------------|-----------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>             |                            |                 |                                                         |
| Investment income                  | \$ 15                      | \$ 141          | \$ 126                                                  |
| <b>Total Revenues</b>              | <u>15</u>                  | <u>141</u>      | <u>126</u>                                              |
| <b>Net Change in Fund Balances</b> | <u>\$ 15</u>               | <u>141</u>      | <u>\$ 126</u>                                           |
| Beginning fund balances            |                            | 4,236           |                                                         |
| <b>Ending Fund Balances</b>        |                            | <u>\$ 4,377</u> |                                                         |

Notes to Other Supplementary Information

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

# City of Denison, Texas

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

For the Year Ended September 30, 2023

|                                    | Original &<br>Final Budget | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|----------------------------|---------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>             |                            |                     |                                                         |
| Investment income                  | \$ 100                     | \$ 98,081           | \$ 97,981                                               |
| <b>Total Revenues</b>              | <u>100</u>                 | <u>98,081</u>       | <u>97,981</u>                                           |
| <b><u>Expenditures</u></b>         |                            |                     |                                                         |
| Current:                           |                            |                     |                                                         |
| General government                 | 1,391,057                  | 978,505             | 412,552                                                 |
| Community services                 | 735,820                    | 171,345             | 564,475                                                 |
| Public works                       | 747,588                    | 488,083             | 259,505                                                 |
| <b>Total Expenditures</b>          | <u>2,874,465</u>           | <u>1,637,933</u>    | <u>1,236,532</u>                                        |
| <b>Net Change in Fund Balances</b> | <u>\$ (2,874,365)</u>      | <u>(1,539,852)</u>  | <u>\$ 1,334,513</u>                                     |
| Beginning fund balances            |                            | 4,135,123           |                                                         |
| <b>Ending Fund Balances</b>        |                            | <u>\$ 2,595,271</u> |                                                         |

Notes to Other Supplementary Information

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



# City of Denison, Texas

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

For the Year Ended September 30, 2023

|                                              | Original &<br>Final Budget | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------|----------------------------|--------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                       |                            |                    |                                                         |
| Investment income                            | \$ -                       | \$ 40,782          | \$ 40,782                                               |
| Other revenue                                | 1,000                      | -                  | (1,000)                                                 |
| <b>Total Revenues</b>                        | <u>1,000</u>               | <u>40,782</u>      | <u>39,782</u>                                           |
| <b><u>Expenditures</u></b>                   |                            |                    |                                                         |
| Capital outlay                               | 1,391,057                  | 1,399,971          | (8,914) *                                               |
| <b>Total Expenditures</b>                    | <u>1,391,057</u>           | <u>1,399,971</u>   | <u>(8,914)</u>                                          |
| <b>Revenues Over (Under) Expenditures</b>    | <u>(1,390,057)</u>         | <u>(1,359,189)</u> | <u>30,868</u>                                           |
| <b><u>Other Financing Sources (Uses)</u></b> |                            |                    |                                                         |
| Transfers (out)                              | 560,582                    | -                  | (560,582)                                               |
| <b>Total Other Financing Sources (Uses)</b>  | <u>560,582</u>             | <u>-</u>           | <u>(560,582)</u>                                        |
| <b>Net Change in Fund Balances</b>           | <u>\$ (829,475)</u>        | <u>(1,359,189)</u> | <u>\$ (529,714)</u>                                     |
| Beginning fund balances                      |                            | 2,325,038          |                                                         |
| <b>Ending Fund Balances</b>                  |                            | <u>\$ 965,849</u>  |                                                         |

### Notes to Other Supplementary Information

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

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

**City of Denison, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**HOTEL OCCUPANCY TAX FUND**  
**For the Year Ended September 30, 2023**

|                                              | Original &<br>Final Budget | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------|----------------------------|-------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                       |                            |                   |                                                         |
| Franchise and local taxes                    | \$ 625,000                 | \$ 1,077,288      | \$ 452,288                                              |
| Investment income                            | 300                        | 16,646            | 16,346                                                  |
| <b>Total Revenues</b>                        | <b>625,300</b>             | <b>1,093,934</b>  | <b>468,634</b>                                          |
| <b><u>Expenditures</u></b>                   |                            |                   |                                                         |
| Current                                      |                            |                   |                                                         |
| Public safety                                | 365,000                    | 194,830           | 170,170                                                 |
| <b>Total Expenditures</b>                    | <b>365,000</b>             | <b>194,830</b>    | <b>170,170</b>                                          |
| <b>Revenues Over (Under) Expenditures</b>    | <b>260,300</b>             | <b>899,104</b>    | <b>638,804</b>                                          |
| <b><u>Other Financing Sources (Uses)</u></b> |                            |                   |                                                         |
| Transfers in                                 | -                          | 31,515            | 31,515                                                  |
| Transfers (out)                              | (187,200)                  | (425,612)         | (238,412) *                                             |
| <b>Total Other Financing Sources (Uses)</b>  | <b>(187,200)</b>           | <b>(394,097)</b>  | <b>(206,897)</b>                                        |
| <b>Net Change in Fund Balances</b>           | <b>\$ 73,100</b>           | <b>505,007</b>    | <b>\$ 431,907</b>                                       |
| Beginning fund balances                      |                            | 25,000            |                                                         |
| <b>Ending Fund Balances</b>                  |                            | <b>\$ 530,007</b> |                                                         |

Notes to Other Supplementary Information

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

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

# City of Denison, Texas

## *SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL INTEREST & SINKING FUND*

For the Year Ended September 30, 2023

|                                              | Original & Final<br>Budget | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------|----------------------------|---------------------|---------------------------------------------------------|
| <b><u>Revenues</u></b>                       |                            |                     |                                                         |
| Property tax                                 | \$ 1,773,844               | \$ 1,834,511        | \$ 60,667                                               |
| Intergovernmental                            | -                          | 356,100             | 356,100                                                 |
| Investment income                            | 2,000                      | 85,627              | 83,627                                                  |
| <b>Total Revenues</b>                        | <b>1,775,844</b>           | <b>2,276,238</b>    | <b>500,394</b>                                          |
| <b><u>Expenditures</u></b>                   |                            |                     |                                                         |
| Debt Service:                                |                            |                     |                                                         |
| Principal                                    | 3,180,702                  | 2,419,429           | 761,273                                                 |
| Interest and fiscal charges                  | 1,089,914                  | 1,117,209           | (27,295)                                                |
| <b>Total Expenditures</b>                    | <b>4,270,616</b>           | <b>3,536,638</b>    | <b>733,978</b>                                          |
| <b>Revenues Over (Under) Expenditures</b>    | <b>(2,494,772)</b>         | <b>(1,260,400)</b>  | <b>1,234,372</b>                                        |
| <b><u>Other Financing Sources (Uses)</u></b> |                            |                     |                                                         |
| Transfers in                                 | 1,674,070                  | 2,404,921           | 730,851                                                 |
| <b>Total Other Financing Sources (Uses)</b>  | <b>1,674,070</b>           | <b>2,404,921</b>    | <b>730,851</b>                                          |
| <b>Net Change in Fund Balance</b>            | <b>\$ (820,702)</b>        | <b>1,144,521</b>    | <b>\$ 1,965,223</b>                                     |
| Beginning fund balance                       |                            | 986,458             |                                                         |
| <b>Ending Fund Balance</b>                   |                            | <b>\$ 2,130,979</b> |                                                         |

Notes to Supplementary Information

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

**City of Denison, Texas**  
**COMBINING STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**September 30, 2023**

|                              |  | <b>Custodial Funds</b> |               |                  |
|------------------------------|--|------------------------|---------------|------------------|
|                              |  | <b>Police</b>          | <b>Sister</b> |                  |
|                              |  | <b>Seizure</b>         | <b>City</b>   | <b>Total</b>     |
| <u><b>Assets</b></u>         |  |                        |               |                  |
| Cash and cash equivalents    |  | \$ 75,415              | \$ 137        | \$ 75,552        |
| <b>Total Assets</b>          |  | <u>75,415</u>          | <u>137</u>    | <u>75,552</u>    |
| <br>                         |  |                        |               |                  |
| <u><b>Net Position</b></u>   |  |                        |               |                  |
| Restricted for organizations |  |                        |               |                  |
| and other governments        |  | 75,415                 | 137           | 75,552           |
| <b>Total Liabilities</b>     |  | <u>\$ 75,415</u>       | <u>\$ 137</u> | <u>\$ 75,552</u> |

# City of Denison, Texas

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the Year Ended September 30, 2023

|                               |  | Custodial Funds  |               |                  |
|-------------------------------|--|------------------|---------------|------------------|
|                               |  | Police           | Sister        |                  |
|                               |  | Seizure          | City          | Total            |
| <u>Additions</u>              |  |                  |               |                  |
| Contributions                 |  | \$ 19,743        | \$ 9,060      | \$ 28,803        |
| <b>Total Additions</b>        |  | <u>19,743</u>    | <u>9,060</u>  | <u>28,803</u>    |
|                               |  |                  |               |                  |
| <u>Deductions</u>             |  |                  |               |                  |
| Intergovernmental             |  | 16,833           | 24,646        | 41,479           |
| <b>Total Deductions</b>       |  | <u>16,833</u>    | <u>24,646</u> | <u>41,479</u>    |
|                               |  |                  |               |                  |
| <b>Change in Net Position</b> |  | 2,910            | (15,586)      | (12,676)         |
|                               |  |                  |               |                  |
| Beginning net position        |  | 72,505           | 15,723        | 88,228           |
| <b>Ending Net Position</b>    |  | <u>\$ 75,415</u> | <u>\$ 137</u> | <u>\$ 75,552</u> |



**City of Denison, Texas**  
**COMBINING SCHEDULE OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**September 30, 2023**

|                                             | Denison<br>Business and<br>Industrial<br>Corporation | Denison<br>Community<br>Investment<br>Corporation* | Denison<br>Public Library<br>Endowment<br>Fund | Total                |
|---------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------|----------------------|
| <b><u>Assets</u></b>                        |                                                      |                                                    |                                                |                      |
| Cash and cash equivalents                   | \$ 6,263,803                                         | \$ 313,183                                         | \$ 42,264                                      | \$ 6,619,250         |
| Investments                                 | 2,024,894                                            | 240,000                                            | -                                              | 2,264,894            |
| Restricted assets - cash                    | -                                                    | 18,531                                             | -                                              | 18,531               |
| Retricted assets - investments              | -                                                    | -                                                  | 655,749                                        | 655,749              |
| Receivables, net                            | 511,167                                              | 5,448                                              | -                                              | 516,615              |
| Intergovernmental receivable                | 965,895                                              | -                                                  | -                                              | 965,895              |
| Notes receivable, current                   | -                                                    | 147,896                                            | -                                              | 147,896              |
| <b>Total Current Assets</b>                 | <b>9,765,759</b>                                     | <b>725,058</b>                                     | <b>698,013</b>                                 | <b>11,188,830</b>    |
| Note receivable, noncurrent                 | -                                                    | 1,002,904                                          | -                                              | 1,002,904            |
| Capital assets:                             |                                                      |                                                    |                                                |                      |
| Non-depreciable                             | 6,019,261                                            | -                                                  | -                                              | 6,019,261            |
| Net depreciable capital assets              | 339,294                                              | -                                                  | -                                              | 339,294              |
| <b>Total Noncurrent Assets</b>              | <b>6,358,555</b>                                     | <b>1,002,904</b>                                   | <b>-</b>                                       | <b>7,361,459</b>     |
| <b>Total Assets</b>                         | <b>16,124,314</b>                                    | <b>1,727,962</b>                                   | <b>698,013</b>                                 | <b>18,550,289</b>    |
| <b><u>Liabilities</u></b>                   |                                                      |                                                    |                                                |                      |
| Accounts payable and<br>accrued liabilities | 42,192                                               | -                                                  | -                                              | 42,192               |
| Escrow payable                              | -                                                    | 18,530                                             | -                                              | 18,530               |
| Accrued interest payable                    | 303,969                                              | -                                                  | -                                              | 303,969              |
| Compensated absences - current              | 7,811                                                | -                                                  | -                                              | 7,811                |
| Debt due within one year                    | 346,630                                              | -                                                  | -                                              | 346,630              |
|                                             | <b>700,602</b>                                       | <b>18,530</b>                                      | <b>-</b>                                       | <b>719,132</b>       |
| Noncurrent liabilities:                     |                                                      |                                                    |                                                |                      |
| Compensated absences - noncurrent           | 70,296                                               | -                                                  | -                                              | 70,296               |
| Debt due in more than one year              | 4,524,845                                            | -                                                  | -                                              | 4,524,845            |
|                                             | <b>4,595,141</b>                                     | <b>-</b>                                           | <b>-</b>                                       | <b>4,595,141</b>     |
| <b>Total Liabilities</b>                    | <b>5,295,743</b>                                     | <b>18,530</b>                                      | <b>-</b>                                       | <b>5,314,273</b>     |
| <b><u>Net Position</u></b>                  |                                                      |                                                    |                                                |                      |
| Net investment in capital assets            | 1,183,111                                            | -                                                  | -                                              | 1,183,111            |
| Restricted                                  |                                                      |                                                    |                                                |                      |
| Debt service                                | 13,222                                               | -                                                  | -                                              | 13,222               |
| Unrestricted                                | 9,632,238                                            | 1,709,432                                          | 698,013                                        | 12,039,683           |
| <b>Total Net Position</b>                   | <b>\$ 10,828,571</b>                                 | <b>\$ 1,709,432</b>                                | <b>\$ 698,013</b>                              | <b>\$ 13,236,016</b> |

\*Note: As of December 31, 2022

**City of Denison, Texas**  
**COMBINING SCHEDULE OF ACTIVITIES**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**For the Year Ended September 30, 2023**

| Functions/Programs                    | Expenses            | Program Revenues     |                                    |                                  |
|---------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|
|                                       |                     | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Component Units</b>                |                     |                      |                                    |                                  |
| <b>Governmental Activities</b>        |                     |                      |                                    |                                  |
| Business and Industrial               | \$ 1,331,931        | \$ 361,759           | \$ 186,790                         | \$ -                             |
| Public Library Endowment Fund         | 54,868              | -                    | 10,224                             | -                                |
| <b>Total Governmental Activities</b>  | <b>1,386,799</b>    | <b>361,759</b>       | <b>197,014</b>                     | <b>-</b>                         |
| <b>Business-Type Activities</b>       |                     |                      |                                    |                                  |
| Community Investment                  | 14,784              | -                    | -                                  | -                                |
| <b>Total Business-Type Activities</b> | <b>14,784</b>       | <b>-</b>             | <b>-</b>                           | <b>-</b>                         |
| <b>Total Component Units</b>          | <b>\$ 1,401,583</b> | <b>\$ 361,759</b>    | <b>\$ 197,014</b>                  | <b>\$ -</b>                      |

**General Revenues:**

Sales taxes  
Investment income (losses)  
Gain (loss) on sale of assets  
Other revenues

**Total General Revenues**

**Change in Net Position**

Beginning Net Position

**Ending Net Position**

\*Note: For the year ended December 31, 2022



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

| <b>Denison<br/>Business and<br/>Industrial<br/>Corporation</b> | <b>Denison<br/>Community<br/>Investment<br/>Corporation*</b> | <b>Denison<br/>Public Library<br/>Endowment<br/>Fund</b> | <b>Total</b>  |
|----------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------|---------------|
| \$ (783,382)                                                   | \$ -                                                         | \$ -                                                     | \$ (783,382)  |
| -                                                              | -                                                            | (44,644)                                                 | (44,644)      |
| (783,382)                                                      | -                                                            | (44,644)                                                 | (828,026)     |
| -                                                              | (14,784)                                                     | -                                                        | (14,784)      |
| -                                                              | (14,784)                                                     | -                                                        | (14,784)      |
| \$ (783,382)                                                   | \$ (14,784)                                                  | \$ (44,644)                                              | \$ (842,810)  |
| 2,713,519                                                      | -                                                            | -                                                        | 2,713,519     |
| 309,394                                                        | 942                                                          | 72,726                                                   | 383,062       |
| (1,284,914)                                                    | -                                                            | -                                                        | (1,284,914)   |
| 2,591                                                          | 43,345                                                       | 55                                                       | 45,991        |
| 1,740,590                                                      | 44,287                                                       | 72,781                                                   | 1,857,658     |
| 957,208                                                        | 29,503                                                       | 28,137                                                   | 1,014,848     |
| 9,871,363                                                      | 1,679,929                                                    | 669,876                                                  | 12,221,168    |
| \$ 10,828,571                                                  | \$ 1,709,432                                                 | \$ 698,013                                               | \$ 13,236,016 |



## STATISTICAL SECTION

This part of the City's 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 says about the City's overall financial health.

| Contents | Page |
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|----------|------|

|                  |     |
|------------------|-----|
| Financial Trends | 151 |
|------------------|-----|

*These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*

|                  |     |
|------------------|-----|
| Revenue Capacity | 154 |
|------------------|-----|

*These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.*

|               |     |
|---------------|-----|
| Debt Capacity | 161 |
|---------------|-----|

*These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*

|                                      |     |
|--------------------------------------|-----|
| Demographic and Economic Information | 166 |
|--------------------------------------|-----|

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*

|                       |     |
|-----------------------|-----|
| Operating Information | 168 |
|-----------------------|-----|

*These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.*



# City of Denison, Texas

## NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

|                                                    | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 |
|----------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities</b>                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 44,569,881        | \$ 42,830,735        | \$ 40,778,772        | \$ 38,828,612        | \$ 37,535,804        | \$ 37,495,796        | \$ 37,132,818        | \$ 35,036,127        | \$ 26,366,449        | \$ 26,183,653        |
| Restricted                                         | 7,587,649            | 10,233,014           | 7,155,833            | 1,305,137            | 1,645,398            | 773,847              | 501,914              | 481,114              | 315,807              | 284,879              |
| Unrestricted                                       | 8,472,403            | 2,625,984            | (529,620)            | (1,912,786)          | (3,251,881)          | (51,283)             | (364,665)            | 1,024,406            | 2,058,721            | 1,251,676            |
| <b>Total governmental activities net position</b>  | <b>\$ 60,629,933</b> | <b>\$ 55,689,733</b> | <b>\$ 47,404,985</b> | <b>\$ 38,220,963</b> | <b>\$ 35,929,321</b> | <b>\$ 38,218,360</b> | <b>\$ 37,270,067</b> | <b>\$ 36,541,647</b> | <b>\$ 28,740,977</b> | <b>\$ 27,720,208</b> |
| <b>Business-type activities</b>                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 28,828,601        | \$ 23,173,107        | \$ 19,181,636        | \$ 21,327,908        | \$ 18,465,710        | \$ 18,227,222        | \$ 17,982,620        | \$ 17,690,856        | \$ 17,614,946        | \$ 17,361,833        |
| Restricted                                         | -                    | 591,281              | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Unrestricted                                       | 4,842,514            | 6,855,817            | 8,338,628            | 4,777,839            | 5,973,273            | 3,693,557            | 3,285,060            | 3,199,098            | 3,399,905            | 3,361,574            |
| <b>Total business-type activities net position</b> | <b>\$ 33,671,115</b> | <b>\$ 30,620,205</b> | <b>\$ 27,520,264</b> | <b>\$ 26,105,747</b> | <b>\$ 24,438,983</b> | <b>\$ 21,920,779</b> | <b>\$ 21,267,680</b> | <b>\$ 20,889,954</b> | <b>\$ 21,014,851</b> | <b>\$ 20,723,407</b> |
| <b>Primary government</b>                          |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 73,398,482        | \$ 66,003,842        | \$ 59,960,408        | \$ 60,156,520        | \$ 56,001,514        | \$ 55,723,018        | \$ 55,115,438        | \$ 52,726,983        | \$ 43,981,395        | \$ 43,545,486        |
| Restricted                                         | 7,587,649            | 10,824,295           | 7,155,833            | 1,305,137            | 1,645,398            | 773,847              | 501,914              | 481,114              | 315,807              | 284,879              |
| Unrestricted                                       | 13,314,917           | 9,481,801            | 7,809,008            | 2,865,053            | 2,721,392            | 3,642,274            | 2,920,395            | 4,223,504            | 5,458,626            | 4,613,250            |
| <b>government net position</b>                     | <b>\$ 94,301,048</b> | <b>\$ 86,309,938</b> | <b>\$ 74,925,249</b> | <b>\$ 64,326,710</b> | <b>\$ 60,368,304</b> | <b>\$ 60,139,139</b> | <b>\$ 58,537,747</b> | <b>\$ 57,431,601</b> | <b>\$ 49,755,828</b> | <b>\$ 48,443,615</b> |

Source: Audited city financials

# City of Denison, Texas

## CHANGES IN NET POSITION

### Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

|                                                        | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 |
|--------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Expenses</b>                                        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities:                               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government                                     | \$ 9,116,744         | \$ 6,417,612         | \$ 4,690,211         | \$ 4,979,074         | \$ 5,675,190         | \$ 5,592,849         | \$ 6,217,065         | \$ 5,243,230         | \$ 4,368,406         | \$ 4,435,657         |
| Public safety                                          | 17,421,835           | 13,218,099           | 11,977,539           | 11,807,727           | 12,903,441           | 11,341,795           | 11,552,027           | 10,918,408           | 9,790,527            | 10,211,949           |
| Community services                                     | 6,748,665            | 6,815,721            | 6,532,744            | 6,396,781            | 5,776,713            | 4,055,461            | 4,288,512            | 4,124,284            | 3,708,493            | 3,536,025            |
| Public works                                           | 7,400,109            | 6,227,422            | 6,101,920            | 6,849,224            | 6,804,281            | 6,324,708            | 6,157,746            | 4,953,880            | 5,524,477            | 6,092,200            |
| Interest on long-term debt                             | 1,174,944            | 1,061,659            | 1,030,163            | 651,586              | 506,897              | 538,988              | 489,753              | 305,847              | 239,722              | 208,340              |
| <b>Total governmental activities expenses</b>          | <b>41,862,297</b>    | <b>33,740,513</b>    | <b>30,332,577</b>    | <b>30,684,392</b>    | <b>31,666,522</b>    | <b>27,853,801</b>    | <b>28,705,103</b>    | <b>25,545,649</b>    | <b>23,631,625</b>    | <b>24,484,171</b>    |
| Business-type activities:                              |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Water and sewer                                        | 15,167,342           | 12,062,253           | 10,834,046           | 10,164,849           | 10,545,353           | 9,771,531            | 9,557,924            | 9,456,049            | 9,350,407            | 8,633,070            |
| <b>Total business-type activities expenses</b>         | <b>15,167,342</b>    | <b>12,062,253</b>    | <b>10,834,046</b>    | <b>10,164,849</b>    | <b>10,545,353</b>    | <b>9,771,531</b>     | <b>9,557,924</b>     | <b>9,456,049</b>     | <b>9,350,407</b>     | <b>8,633,070</b>     |
| <b>Total primary government expenses</b>               | <b>\$ 57,029,639</b> | <b>\$ 45,802,766</b> | <b>\$ 41,166,623</b> | <b>\$ 40,849,241</b> | <b>\$ 42,211,875</b> | <b>\$ 37,625,332</b> | <b>\$ 38,263,027</b> | <b>\$ 35,001,698</b> | <b>\$ 32,982,032</b> | <b>\$ 33,117,241</b> |
| <b>Program Revenues</b>                                |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities:                               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Charges for services:                                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government                                     | \$ 250,721           | \$ 241,737           | \$ 310,850           | \$ 1,231,546         | \$ 1,418,334         | \$ 1,243,624         | \$ 1,214,347         | \$ 901,405           | \$ 1,038,224         | \$ 1,288,598         |
| Public safety                                          | 2,994,313            | 1,356,310            | 1,200,216            | 910,917              | 1,829,812            | 2,353,054            | 1,860,847            | 2,237,545            | 2,230,118            | 1,503,310            |
| Community services                                     | 2,239,177            | 2,453,643            | 2,118,081            | 1,652,774            | 1,688,766            | 1,446,762            | 1,405,039            | 1,170,975            | 1,084,003            | 1,100,612            |
| Public works                                           | 7,103,629            | 6,157,608            | 5,821,317            | 5,654,494            | 5,410,774            | 5,394,334            | 5,178,881            | 4,948,606            | 4,882,630            | 4,709,727            |
| Operating grants and contributions                     | 1,525,739            | 949,989              | 912,461              | 1,668,713            | 449,370              | 819,419              | 224,280              | 1,199,819            | 533,356              | 789,741              |
| Capital grants and contributions                       | 19,192               | 3,913,306            | 5,260,875            | -                    | -                    | -                    | 272,525              | -                    | -                    | -                    |
| <b>Total governmental activities program revenues</b>  | <b>14,132,771</b>    | <b>15,072,593</b>    | <b>15,623,800</b>    | <b>11,118,444</b>    | <b>10,797,056</b>    | <b>11,257,193</b>    | <b>10,155,919</b>    | <b>10,458,350</b>    | <b>9,768,331</b>     | <b>9,391,988</b>     |
| Business-type activities:                              |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Charges for services:                                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Water and sewer                                        | 18,968,067           | 16,903,891           | 14,518,795           | 13,736,756           | 12,783,394           | 12,555,348           | 11,925,469           | 11,035,471           | 10,874,750           | 9,890,510            |
| Operating grants and contributions                     | 204,482              | -                    | -                    | 25,375               | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>Total business-type activities program revenues</b> | <b>19,172,549</b>    | <b>16,903,891</b>    | <b>14,518,795</b>    | <b>13,762,131</b>    | <b>12,783,394</b>    | <b>12,555,348</b>    | <b>11,925,469</b>    | <b>11,035,471</b>    | <b>10,874,750</b>    | <b>9,890,510</b>     |
| <b>Total primary government program revenues</b>       | <b>\$ 33,305,320</b> | <b>\$ 31,976,484</b> | <b>\$ 30,142,595</b> | <b>\$ 24,880,575</b> | <b>\$ 23,580,450</b> | <b>\$ 23,812,541</b> | <b>\$ 22,081,388</b> | <b>\$ 21,493,821</b> | <b>\$ 20,643,081</b> | <b>\$ 19,282,498</b> |

Source: Audited city financials

# City of Denison, Texas

## CHANGES IN NET POSITION (Continued)

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

|                                                           | 2023                   | 2023                   | 2021                   | 2020                   | 2019                   | 2018                   | 2017                   | 2016                   | 2015                   | 2014                   |
|-----------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Net (Expenses) Revenue</b>                             |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                                   | \$ (27,729,526)        | \$ (18,667,920)        | \$ (14,708,777)        | \$ (19,565,948)        | \$ (20,869,466)        | \$ (16,596,608)        | \$ (18,549,184)        | \$ (15,087,299)        | \$ (13,863,294)        | \$ (15,092,183)        |
| Business-type activities                                  | 4,005,207              | 4,841,638              | 3,684,749              | 3,597,282              | 2,238,041              | 2,783,817              | 2,367,545              | 1,579,422              | 1,524,343              | 1,257,440              |
| <b>Total primary government net expense</b>               | <b>\$ (23,724,319)</b> | <b>\$ (13,826,282)</b> | <b>\$ (11,024,028)</b> | <b>\$ (15,968,666)</b> | <b>\$ (18,631,425)</b> | <b>\$ (13,812,791)</b> | <b>\$ (16,181,639)</b> | <b>\$ (13,507,877)</b> | <b>\$ (12,338,951)</b> | <b>\$ (13,834,743)</b> |
| <b>General Revenues and Other Changes in Net Position</b> |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities:                                  |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Taxes                                                     |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Property taxes                                            | \$ 16,696,399          | \$ 13,263,057          | \$ 12,248,777          | \$ 11,069,151          | \$ 10,049,035          | \$ 8,861,579           | \$ 8,507,756           | \$ 7,669,631           | \$ 7,170,676           | \$ 6,793,411           |
| Sales taxes                                               | 8,140,375              | 7,924,179              | 6,437,969              | 6,112,237              | 5,710,960              | 5,591,271              | 5,148,801              | 4,717,022              | 4,417,481              | 4,154,796              |
| Franchise and local taxes                                 | 2,757,728              | 2,419,078              | 2,032,350              | 1,760,562              | 1,974,020              | 1,936,874              | 1,788,815              | 1,837,245              | 1,861,481              | 1,965,979              |
| Other revenues                                            | 795,431                | 1,013,301              | 712,483                | 719,271                | 624,662                | 735,762                | 859,401                | 625,210                | 32,325                 | 375,221                |
| Investment earnings                                       | 1,257,389              | 147,480                | 95,150                 | 126,053                | 216,726                | 163,508                | 105,995                | 45,826                 | 143,629                | 33,241                 |
| Gain on sale of capital assets                            | -                      | -                      | -                      | -                      | -                      | -                      | 50,000                 | -                      | -                      | -                      |
| Transfers                                                 | 3,022,404              | 1,971,499              | 2,304,170              | 2,070,316              | 5,024                  | 1,539,284              | 2,023,317              | 1,687,361              | 1,258,471              | 1,225,000              |
| <b>Total governmental activities</b>                      | <b>32,669,726</b>      | <b>26,738,594</b>      | <b>23,830,899</b>      | <b>21,857,590</b>      | <b>18,580,427</b>      | <b>18,828,278</b>      | <b>18,484,085</b>      | <b>16,582,295</b>      | <b>14,884,063</b>      | <b>14,547,648</b>      |
| Business-type activities:                                 |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Investment earnings                                       | 2,068,107              | 229,802                | 33,938                 | 139,798                | 285,187                | 108,868                | 33,498                 | 28,985                 | 25,572                 | 13,976                 |
| Gain (Loss) on sale of capital assets                     | -                      | -                      | -                      | -                      | -                      | -                      | -                      | (45,943)               | -                      | -                      |
| Transfers                                                 | (3,022,404)            | (1,971,499)            | (2,304,170)            | (2,070,316)            | (5,024)                | (1,539,284)            | (2,023,317)            | (1,687,361)            | (1,258,471)            | (1,225,000)            |
| Total business-type activities                            | (954,297)              | (1,741,697)            | (2,270,232)            | (1,930,518)            | 280,163                | (1,430,416)            | (1,989,819)            | (1,704,319)            | (1,232,899)            | (1,211,024)            |
| <b>Total primary government</b>                           | <b>\$ 31,715,429</b>   | <b>\$ 24,996,897</b>   | <b>\$ 21,560,667</b>   | <b>\$ 19,927,072</b>   | <b>\$ 18,860,590</b>   | <b>\$ 17,397,862</b>   | <b>\$ 16,494,266</b>   | <b>\$ 14,877,976</b>   | <b>\$ 13,651,164</b>   | <b>\$ 13,336,624</b>   |
| <b>Change in Net Position</b>                             |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                                   | \$ 4,940,200           | \$ 8,070,674           | \$ 9,122,122           | \$ 2,291,642           | \$ (2,289,039)         | \$ 2,231,670           | \$ (65,099)            | \$ 1,494,996           | \$ 1,020,769           | \$ (544,535)           |
| Business-type activities                                  | 3,050,910              | 3,099,941              | 1,414,517              | 1,666,764              | 2,518,204              | 1,353,401              | 377,726                | (124,897)              | 291,444                | 46,416                 |
| <b>Total primary government</b>                           | <b>\$ 7,991,110</b>    | <b>\$ 11,170,615</b>   | <b>\$ 10,536,639</b>   | <b>\$ 3,958,406</b>    | <b>\$ 229,165</b>      | <b>\$ 3,585,071</b>    | <b>\$ 312,627</b>      | <b>\$ 1,370,099</b>    | <b>\$ 1,312,213</b>    | <b>\$ (498,119)</b>    |

Note: City of Denison Texas first applied GASB Statement No.34 in fiscal year 2002.  
Source: Audited city financials

**City of Denison, Texas**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**Last Ten Fiscal Years (Unaudited)**

| <b>Fiscal<br/>Year</b> | <b>Property<br/>Tax</b> | <b>Franchise<br/>Tax</b> | <b>Sales<br/>Tax</b> | <b>Hotel/Motel<br/>Tax</b> | <b>Bingo and<br/>Mixed Beverage<br/>Tax</b> | <b>Total</b>  |
|------------------------|-------------------------|--------------------------|----------------------|----------------------------|---------------------------------------------|---------------|
| 2014                   | \$ 6,793,411            | \$ 1,475,585             | \$ 4,154,796         | \$ 435,366                 | \$ 55,028                                   | \$ 12,914,186 |
| 2015                   | \$ 7,192,805            | \$ 1,441,300             | \$ 4,417,481         | \$ 368,846                 | \$ 51,335                                   | \$ 13,471,767 |
| 2016                   | \$ 7,471,696            | \$ 1,383,876             | \$ 4,562,899         | \$ 409,558                 | \$ 43,811                                   | \$ 13,871,840 |
| 2017                   | \$ 8,507,756            | \$ 1,371,528             | \$ 5,148,801         | \$ 371,452                 | \$ 45,835                                   | \$ 15,445,372 |
| 2018                   | \$ 8,616,569            | \$ 1,457,997             | \$ 5,553,586         | \$ 477,341                 | \$ 48,112                                   | \$ 16,153,605 |
| 2019                   | \$ 9,507,352            | \$ 1,458,202             | \$ 6,330,200         | \$ 422,336                 | \$ 54,922                                   | \$ 17,773,011 |
| 2020                   | \$ 10,844,770           | \$ 1,580,769             | \$ 6,112,237         | \$ 356,235                 | \$ 63,095                                   | \$ 18,957,106 |
| 2021                   | \$ 11,896,581           | \$ 1,567,922             | \$ 6,571,066         | \$ 501,901                 | \$ 73,292                                   | \$ 20,610,762 |
| 2022                   | \$ 12,671,887           | \$ 1,697,506             | \$ 7,277,734         | \$ 668,781                 | \$ 84,439                                   | \$ 22,400,347 |
| 2023                   | \$ 16,566,948           | \$ 1,594,218             | \$ 8,140,375         | \$ 1,077,288               | \$ 86,222                                   | \$ 27,465,051 |

Source: Audited city financials



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

|                                           | 2023                 | 2022                 | 2021                 | 2020                 | 2019                | 2018                | 2017                 | 2016                 | 2015                | 2014                |
|-------------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|
| <b>General Fund</b>                       |                      |                      |                      |                      |                     |                     |                      |                      |                     |                     |
| Nonspendable                              | \$ 98,168            | \$ 145,090           | \$ 468,408           | \$ 252,330           | \$ 327,573          | \$ 88,498           | \$ 109,918           | \$ 113,434           | \$ 86,063           | \$ 111,432          |
| Restricted                                | 873,216              | 2,420,594            | 1,100,000            | -                    | -                   | -                   | -                    | -                    | -                   | 26,461              |
| Committed                                 | 109,433              | 109,433              | 206,162              | 474,294              | 386,981             | 751,725             | 1,706,012            | 1,706,012            | 1,781,095           | 1,358,671           |
| Unassigned                                | 11,363,069           | 8,860,243            | 7,852,604            | 5,884,269            | 6,251,513           | 6,857,817           | 6,187,054            | 5,743,218            | 6,168,066           | 5,590,148           |
| <b>Total general fund</b>                 | <b>\$ 12,443,886</b> | <b>\$ 11,535,360</b> | <b>\$ 9,627,174</b>  | <b>\$ 6,610,893</b>  | <b>\$ 6,966,067</b> | <b>\$ 7,698,040</b> | <b>\$ 8,002,984</b>  | <b>\$ 7,562,664</b>  | <b>\$ 8,035,224</b> | <b>\$ 7,086,712</b> |
| <b>All Other Governmental Funds</b>       |                      |                      |                      |                      |                     |                     |                      |                      |                     |                     |
| Restricted                                | \$ 17,287,481        | \$ 19,444,409        | \$ 24,114,680        | \$ 10,245,490        | \$ 1,645,398        | \$ 2,385,232        | \$ 13,890,862        | \$ 10,853,153        | \$ 1,848,023        | \$ 3,365,871        |
| Committed                                 | 2,479,553            | 1,397,391            | 1,229,356            | 848,620              | 935,347             | 877,138             | 728,932              | 674,417              | 514,828             | 399,939             |
| Assigned                                  | 212,107              | 202,445              | 269,715              | 238,796              | 235,516             | 245,622             | 247,863              | 277,204              | 220,142             | 250,138             |
| Unassigned                                | (9,801)              | (50,863)             | (8,421)              | (755)                | (75,058)            | (260,195)           | (2,127)              | (21,824)             | (16,858)            | (11,919)            |
| <b>Total all other governmental funds</b> | <b>\$ 19,969,340</b> | <b>\$ 20,993,382</b> | <b>\$ 25,605,330</b> | <b>\$ 11,332,151</b> | <b>\$ 2,741,203</b> | <b>\$ 3,247,797</b> | <b>\$ 14,865,530</b> | <b>\$ 11,782,950</b> | <b>\$ 2,566,135</b> | <b>\$ 4,004,029</b> |

Source: Audited city financials

# City of Denison, Texas

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

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

|                                                              | 2023                | 2022                | 2021                 | 2020                | 2019                  | 2018                   | 2017                | 2016                | 2015                | 2014                |
|--------------------------------------------------------------|---------------------|---------------------|----------------------|---------------------|-----------------------|------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                                              |                     |                     |                      |                     |                       |                        |                     |                     |                     |                     |
| Taxes                                                        | \$ 27,465,051       | \$ 23,621,868       | \$ 20,701,674        | \$ 18,890,254       | \$ 17,686,489         | \$ 16,324,904          | \$ 15,470,740       | \$ 14,225,726       | \$ 13,479,894       | \$ 12,897,439       |
| Licenses, permits, and fees                                  | 967,994             | 1,200,857           | 884,066              | 767,573             | 607,804               | 523,420                | 512,456             | 304,911             | 261,607             | 280,531             |
| Operating contributions                                      | 150,554             | 164,160             | -                    | 1,334,468           | 797,349               | 25,900                 | 224,280             | 406,300             | 79,525              | 72,329              |
| Capital contributions                                        | -                   | -                   | -                    | -                   | 445,540               | 1,587,038              | 793,519             | 793,519             | -                   | -                   |
| Intergovernmental                                            | 2,353,450           | 5,242,697           | 6,497,050            | -                   | -                     | -                      | -                   | -                   | 453,831             | 717,412             |
| Charges for services                                         | 10,748,437          | 8,409,915           | 8,076,671            | 8,637,896           | 9,560,848             | 9,321,868              | 8,889,643           | 8,448,748           | 8,448,544           | 8,458,972           |
| Fines and forfeitures                                        | 444,478             | 436,013             | 475,924              | 316,459             | 400,547               | 601,428                | 456,094             | 568,599             | 543,089             | 520,751             |
| Investment earnings                                          | 1,257,389           | 152,395             | 95,150               | 126,053             | 216,726               | 163,508                | 105,995             | 45,826              | 32,325              | 33,241              |
| Other revenues                                               | 794,877             | 861,086             | 961,836              | 803,623             | 624,662               | 735,762                | 859,401             | 774,822             | 543,241             | 774,833             |
| <b>Total Revenues</b>                                        | <b>44,182,230</b>   | <b>40,088,991</b>   | <b>37,692,371</b>    | <b>30,876,326</b>   | <b>30,339,965</b>     | <b>29,283,828</b>      | <b>27,312,128</b>   | <b>25,568,451</b>   | <b>23,842,056</b>   | <b>23,755,508</b>   |
| <b>Expenditures</b>                                          |                     |                     |                      |                     |                       |                        |                     |                     |                     |                     |
| Current:                                                     |                     |                     |                      |                     |                       |                        |                     |                     |                     |                     |
| General government                                           | 9,751,017           | 8,463,973           | 4,607,099            | 4,260,806           | 5,256,116             | 5,496,424              | 5,545,323           | 4,686,707           | 4,156,486           | 4,844,552           |
| Public safety                                                | 14,446,850          | 12,685,967          | 11,344,112           | 11,350,803          | 11,618,750            | 10,467,072             | 10,597,386          | 10,023,933          | 9,643,623           | 9,506,635           |
| Community services                                           | 6,778,201           | 6,523,281           | 6,283,141            | 6,252,363           | 6,468,070             | 3,974,436              | 6,765,751           | 4,152,743           | 6,292,975           | 6,379,924           |
| Public works                                                 | 7,513,213           | 7,583,127           | 5,596,970            | 6,231,492           | 6,382,160             | 5,740,187              | 5,751,542           | 5,420,051           | 2,317,968           | 2,677,186           |
| Capital outlay                                               | 7,150,054           | 12,174,572          | 5,730,452            | 3,013,046           | 2,399,460             | 16,041,273             | 1,930,282           | 744,496             | 3,318,030           | 2,790,311           |
| Debt Service:                                                |                     |                     |                      |                     |                       |                        |                     |                     |                     |                     |
| Principal retirement                                         | 4,534,085           | 3,859,021           | 3,078,280            | 2,733,212           | 2,656,495             | 2,387,944              | 1,787,351           | 1,159,923           | 1,094,496           | 955,440             |
| Interest and fiscal changes                                  | 1,417,218           | 1,303,933           | 733,247              | 507,397             | 531,477               | 550,687                | 395,015             | 258,196             | 281,184             | 257,640             |
| Bond issuance costs                                          | -                   | 100,000             | 161,203              | 174,909             | -                     | 30,194                 | 139,812             | 53,508              | -                   | -                   |
| <b>Total Expenditures</b>                                    | <b>51,590,638</b>   | <b>52,693,874</b>   | <b>37,534,504</b>    | <b>34,524,028</b>   | <b>35,312,528</b>     | <b>44,688,217</b>      | <b>32,912,462</b>   | <b>26,499,557</b>   | <b>27,104,762</b>   | <b>27,411,688</b>   |
| <b>Excess of Revenues Over (Under)</b>                       | <b>(7,408,408)</b>  | <b>(12,604,883)</b> | <b>157,867</b>       | <b>(3,647,702)</b>  | <b>(4,972,563)</b>    | <b>(15,404,389)</b>    | <b>(5,600,334)</b>  | <b>(931,106)</b>    | <b>(3,262,706)</b>  | <b>(3,656,180)</b>  |
| <b>Other financing sources (uses)</b>                        |                     |                     |                      |                     |                       |                        |                     |                     |                     |                     |
| Bond issuance                                                | 1,140,000           | 4,600,000           | 12,295,000           | 8,750,000           | -                     | 1,000,000              | 7,350,000           | 7,475,000           | -                   | 1,435,000           |
| Payments on refunding bonds                                  | -                   | -                   | -                    | -                   | -                     | -                      | -                   | -                   | -                   | -                   |
| Net bond premium and discounts                               | -                   | -                   | 1,366,013            | 1,024,909           | -                     | -                      | 117,671             | -                   | -                   | -                   |
| Lease issuance                                               | 2,827,118           | 3,150,511           | 1,100,000            | -                   | 1,887,500             | 790,378                | -                   | 463,000             | 1,600,000           | 582,000             |
| Subscription issuance                                        | 28,511              | 167,621             | 104,973              | -                   | -                     | -                      | 50,000              | 50,000              | -                   | -                   |
| Proceeds from sale of capital assets                         | 274,859             | 1,982,989           | 2,304,170            | 2,070,316           | 1,846,493             | 2,019,378              | 1,645,934           | 1,687,361           | 1,258,471           | 1,225,000           |
| Transfers, net                                               | 3,022,404           | 9,901,121           | 17,170,156           | 11,845,225          | 3,733,993             | 3,809,756              | 9,163,605           | 9,675,361           | 2,858,471           | 3,242,000           |
| <b>Total Other financing Sources (Uses)</b>                  | <b>7,292,892</b>    | <b>(2,703,762)</b>  | <b>\$ 17,328,023</b> | <b>\$ 8,197,523</b> | <b>\$ (1,238,570)</b> | <b>\$ (11,594,633)</b> | <b>\$ 3,563,271</b> | <b>\$ 8,744,255</b> | <b>\$ (404,235)</b> | <b>\$ (414,180)</b> |
| <b>Net change in fund balances</b>                           | <b>\$ (115,516)</b> |                     |                      |                     |                       |                        |                     |                     |                     |                     |
| <b>Debt service as percentage of noncapital expenditures</b> | 13.6%               | 12.7%               | 12.0%                | 9.4%                | 10.2%                 | 10.3%                  | 7.8%                | 5.8%                | 5.8%                | 4.9%                |

Source: Audited city financials

# City of Denison, Texas

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

### Last Ten Fiscal Years (Unaudited)

| Fiscal Year<br>Ended<br>Sept. 30 | Real & Non Real Property |                        |                      | Less:                                |    | Total<br>Assessed<br>Value | Total<br>Direct<br>Tax<br>Rate | Actual<br>Taxable<br>Value | Taxable<br>Value as a<br>Percentage of<br>Assessed Value |
|----------------------------------|--------------------------|------------------------|----------------------|--------------------------------------|----|----------------------------|--------------------------------|----------------------------|----------------------------------------------------------|
|                                  | Residential<br>Property  | Commercial<br>Property | Personal<br>Property | Productivity Loss<br>& Homestead Cap |    |                            |                                |                            |                                                          |
| 2014                             | \$ 531,789,823           | \$ 536,927,831         | \$ 303,858,382       | (19,543,229)                         | \$ | 1,353,032,807              | 0.653377                       | \$ 1,052,058,806           | 77.76%                                                   |
| 2015                             | \$ 544,960,592           | \$ 633,865,861         | \$ 311,895,598       | (24,957,931)                         | \$ | 1,465,764,120              | 0.653377                       | \$ 1,107,802,263           | 75.58%                                                   |
| 2016                             | \$ 568,909,108           | \$ 684,004,866         | \$ 334,436,044       | (26,132,144)                         | \$ | 1,561,217,874              | 0.653377                       | \$ 1,181,434,177           | 75.67%                                                   |
| 2017                             | \$ 644,858,864           | \$ 712,430,939         | \$ 321,533,002       | (49,001,553)                         | \$ | 1,629,821,252              | 0.643377                       | \$ 1,325,736,786           | 81.34%                                                   |
| 2018                             | \$ 708,301,353           | \$ 773,117,625         | \$ 311,424,971       | (47,844,376)                         | \$ | 1,744,999,573              | 0.633377                       | \$ 1,429,444,394           | 81.92%                                                   |
| 2019                             | \$ 823,905,532           | \$ 829,016,556         | \$ 318,085,182       | (64,664,017)                         | \$ | 1,906,343,253              | 0.633377                       | \$ 1,573,456,675           | 82.54%                                                   |
| 2020                             | \$ 1,126,702,143         | \$ 853,672,408         | \$ 225,156,269       | (85,085,553)                         | \$ | 2,120,445,267              | 0.652034                       | \$ 1,755,957,532           | 82.81%                                                   |
| 2021                             | \$ 1,340,477,872         | \$ 912,838,829         | \$ 249,517,819       | (54,067,910)                         | \$ | 2,448,766,610              | 0.652034                       | \$ 2,075,252,425           | 84.75%                                                   |
| 2022                             | \$ 1,816,597,289         | \$ 1,067,090,454       | \$ 328,905,930       | (198,934,492)                        | \$ | 3,013,659,181              | 0.652034                       | \$ 2,591,719,375           | 86.00%                                                   |
| 2023                             | \$ 2,181,599,617         | \$ 1,194,217,025       | \$ 360,756,024       | (235,704,359)                        | \$ | 3,500,868,307              | 0.652034                       | \$ 2,973,223,377           | 84.93%                                                   |

**Source:** Grayson County Appraisal District - Certified Grand Totals Reports As of Certification

**Notes:** Property is reassessed at least every three years.

Tax rates are per \$100 of assessed value.

Residential: includes single family, vacant lots, acreage, farm and ranch, and minerals

Commercial: includes real property, industrial and utilities

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

| Fiscal Year<br>Ended<br>Sept. 30 | City Direct Rates             |                                          |                 | Overlapping Rates                            |                   |                                        |
|----------------------------------|-------------------------------|------------------------------------------|-----------------|----------------------------------------------|-------------------|----------------------------------------|
|                                  | Operating/<br>General<br>Rate | General<br>Obligation<br>Debt<br>Service | Total<br>Direct | Denison<br>Independent<br>School<br>District | Grayson<br>County | Grayson<br>County<br>Junior<br>College |
| 2014                             | 0.581121                      | 0.072256                                 | 0.653377        | 1.499200                                     | 0.490900          | 0.181610                               |
| 2015                             | 0.569980                      | 0.083397                                 | 0.653377        | 1.499200                                     | 0.490900          | 0.181500                               |
| 2016                             | 0.575883                      | 0.077494                                 | 0.653377        | 1.499200                                     | 0.490900          | 0.181400                               |
| 2017                             | 0.578521                      | 0.064856                                 | 0.643377        | 1.499200                                     | 0.473719          | 0.181300                               |
| 2018                             | 0.530791                      | 0.102586                                 | 0.633377        | 1.499200                                     | 0.460366          | 0.181200                               |
| 2019                             | 0.521438                      | 0.111939                                 | 0.633377        | 1.499200                                     | 0.441810          | 0.177334                               |
| 2020                             | 0.556902                      | 0.095132                                 | 0.652034        | 1.397550                                     | 0.416429          | 0.171752                               |
| 2021                             | 0.544451                      | 0.107583                                 | 0.652034        | 1.322230                                     | 0.376700          | 0.171067                               |
| 2022                             | 0.554667                      | 0.097367                                 | 0.652034        | 1.289500                                     | 0.339000          | 0.168053                               |
| 2023                             | 0.576537                      | 0.075497                                 | 0.652034        | 1.162500                                     | 0.305100          | 0.145991                               |

**Source:** Grayson County Appraisal District - Tax Rates

**Notes:** Overlapping rates are those of local and county governments that apply to property owners within the City of Denison.

# City of Denison, Texas

## PRINCIPAL PROPERTY TAX PAYERS

Current Fiscal Year and Nine Years Ago (Unaudited)

| Taxpayer                                   | Type of Business    | 2023             |      |               |  | 2014             |      |               |  |
|--------------------------------------------|---------------------|------------------|------|---------------|--|------------------|------|---------------|--|
|                                            |                     | Taxable Assessed |      | Percentage of |  | Taxable Assessed |      | Percentage of |  |
|                                            |                     | Value            | Rank | Taxable Value |  | *Value           | Rank | Taxable Value |  |
| UHS of Texoma Inc. (Texoma Medical Center) | Medical Facility    | \$ 202,199,779   | 1    | 6.80%         |  | \$ 78,111,257    | 1    | 7.42%         |  |
| Universal Health Services                  | Medical Facility    | \$ 55,124,475    | 2    | 1.85%         |  | \$ 25,500,000    | 2    | 2.42%         |  |
| Ruiz Food Products, Inc.                   | Food Processing     | \$ 36,353,331    | 3    | 1.22%         |  | \$ 12,371,301    | 8    | 1.18%         |  |
| Grayson Properties LP                      | Housing Development | \$ 26,000,000    | 4    | 0.87%         |  | \$ 14,213,009    | 7    | 1.35%         |  |
| Ruiz Food Products, Inc.                   | Food Processing     | \$ 24,251,565    | 5    | 0.82%         |  | \$ -             | n/a  | 0.00%         |  |
| Spectrum Brands INC                        | Manufacturing       | \$ 22,359,997    | 6    | 0.75%         |  | \$ 21,959,056    | 3    | 2.09%         |  |
| Union Pacific Railroad Co                  | Railroad            | \$ 21,914,773    | 7    | 0.74%         |  | \$ 20,755,190    | 4    | 1.97%         |  |
| Oncor Electric Delivery Co LLC             | Electric Provider   | \$ 20,540,250    | 8    | 0.69%         |  | \$ 12,125,239    | 9    | 1.15%         |  |
| MFT RGV1 LLC                               | Housing Development | \$ 18,244,690    | 9    | 0.61%         |  | \$ -             | n/a  | 0.00%         |  |
| Denison Walker Properties LLC              | Housing Development | \$ 17,000,000    | 10   | 0.57%         |  | \$ -             | n/a  | 0.00%         |  |
| Caterpillar Global Mining                  | Manufacturing       | \$ -             | n/a  | 0.00%         |  | \$ 17,263,200    | 5    | 1.64%         |  |
| Covenant Denison Holdings LLC              | Housing Development | \$ -             | n/a  | 0.00%         |  | \$ 14,511,522    | 6    | 1.38%         |  |
| Wal-Mart Stores Inc #03521                 | Large Retailer      | \$ -             | n/a  | 0.00%         |  | \$ 8,983,049     | 10   | 0.85%         |  |
| Top Ten Taxpayers Total:                   |                     | \$ 443,988,860   |      | 14.93%        |  | \$ 225,792,823   |      | 21.46%        |  |
| City-Wide Total Taxable Value:             |                     | \$ 2,973,223,377 |      |               |  | \$ 1,052,058,806 |      |               |  |

**Source:** Grayson Central Appraisal District - Top Ten Taxpayers

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

| Fiscal Year<br>Ended<br>Sept. 30 | Total Tax<br>Levy for<br>Fiscal Year | Collected within the<br>Fiscal Year of the Levy |           | Collections in<br>Subsequent<br>Years | Total Collections to Date |           |
|----------------------------------|--------------------------------------|-------------------------------------------------|-----------|---------------------------------------|---------------------------|-----------|
|                                  |                                      | Amount                                          | % of Levy |                                       | Amount                    | % of Levy |
| 2014                             | \$ 6,691,394                         | \$ 6,548,938                                    | 97.87%    | \$ 130,760                            | \$ 6,679,697              | 99.83%    |
| 2015                             | \$ 7,055,238                         | \$ 6,927,406                                    | 98.19%    | \$ 116,495                            | \$ 7,043,901              | 99.84%    |
| 2016                             | \$ 7,501,037                         | \$ 7,381,352                                    | 98.40%    | \$ 106,919                            | \$ 7,488,271              | 99.83%    |
| 2017                             | \$ 8,309,353                         | \$ 8,164,388                                    | 98.26%    | \$ 127,085                            | \$ 8,291,473              | 99.78%    |
| 2018                             | \$ 8,688,391                         | \$ 8,542,962                                    | 98.33%    | \$ 123,287                            | \$ 8,666,249              | 99.75%    |
| 2019                             | \$ 9,520,567                         | \$ 9,349,717                                    | 98.21%    | \$ 142,872                            | \$ 9,492,589              | 99.71%    |
| 2020                             | \$ 10,811,380                        | \$ 10,579,942                                   | 97.86%    | \$ 193,999                            | \$ 10,773,941             | 99.65%    |
| 2021                             | \$ 11,779,085                        | \$ 11,544,648                                   | 98.01%    | \$ 181,202                            | \$ 11,725,850             | 99.55%    |
| 2022                             | \$ 12,737,290                        | \$ 12,494,778                                   | 98.10%    | \$ 127,841                            | \$ 12,622,619             | 99.10%    |
| 2023                             | \$ 15,924,647                        | \$ 15,573,481                                   | 97.79%    | \$ -                                  | \$ 15,573,481             | 97.79%    |

**Source:** Grayson County Tax Assessor and Collector:  
Recap & Standings Report.  
Tax Roll & Levy Annual Report.

# City of Denison, Texas

## RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years (Unaudited)

| Fiscal Year | Governmental Activities    |               |              |                   |                            | Business-Type Activities |                   |                   |                   |                   |              |                | Total Primary Government | Percentage of Personal Income | Per Capita* |
|-------------|----------------------------|---------------|--------------|-------------------|----------------------------|--------------------------|-------------------|-------------------|-------------------|-------------------|--------------|----------------|--------------------------|-------------------------------|-------------|
|             | Certificates of Obligation |               | General      |                   | Certificates of Obligation | General                  |                   |                   | Issuance Discount | Issuance Premiums |              |                |                          |                               |             |
|             | Lease Liabilities          | Notes Payable | Tax Notes    | Issuance Premiums |                            | Obligation Bonds         | Lease Liabilities | Issuance Discount |                   |                   |              |                |                          |                               |             |
| 2014        | \$ 2,473,620               | \$ 5,041,618  | \$ 970,311   | \$ -              | \$ 1,435,000               | \$ -                     | \$ 17,924,299     | \$ 1,021,100      | \$ 17,756         | \$ -              | \$ -         | \$ 28,883,705  | 6%                       | \$ 1,271                      |             |
| 2015        | \$ 2,373,290               | \$ 4,481,172  | \$ 2,264,737 | \$ -              | \$ 1,240,000               | \$ -                     | \$ 23,369,865     | \$ 1,006,391      | \$ 9,110          | \$ -              | \$ -         | \$ 34,744,565  | 7%                       | \$ 1,517                      |             |
| 2016        | \$ 9,747,960               | \$ 3,905,726  | \$ 2,376,817 | \$ -              | \$ 1,040,000               | \$ -                     | \$ 23,896,855     | \$ 991,682        | \$ -              | \$ -              | \$ -         | \$ 41,959,040  | 9%                       | \$ 1,790                      |             |
| 2017        | \$ 14,707,290              | \$ 3,209,084  | \$ 2,004,263 | \$ 1,550,000      | \$ 840,000                 | \$ 379,873               | \$ 26,767,548     | \$ 897,773        | \$ -              | \$ (34,527)       | \$ (31,507)  | \$ 50,289,797  | 10%                      | \$ 2,126                      |             |
| 2018        | \$ 14,369,982              | \$ 2,556,200  | \$ 2,455,635 | \$ 1,389,000      | \$ 635,000                 | \$ 341,245               | \$ 31,090,022     | \$ 748,800        | \$ 353,968        | \$ (31,506)       | \$ 1,455,795 | \$ 55,364,141  | 9%                       | \$ 2,271                      |             |
| 2019        | \$ 13,096,383              | \$ 2,082,400  | \$ 3,813,038 | \$ 1,220,000      | \$ 425,000                 | \$ 302,617               | \$ 31,573,621     | \$ 3,457,600      | \$ 305,632        | \$ (13,032)       | \$ 2,088,699 | \$ 58,351,958  | 10%                      | \$ 2,323                      |             |
| 2020        | \$ 20,540,641              | \$ 1,702,400  | \$ 3,145,568 | \$ 1,050,000      | \$ 215,000                 | \$ 1,288,898             | \$ 29,844,363     | \$ 7,127,600      | \$ 256,652        | \$ (11,729)       | \$ 2,505,124 | \$ 67,664,517  | 11%                      | \$ 2,722                      |             |
| 2021        | \$ 31,075,175              | \$ 1,307,200  | \$ 4,741,284 | \$ 880,000        | \$ -                       | \$ 2,562,340             | \$ 42,284,830     | \$ 6,312,800      | \$ 488,818        | \$ (10,426)       | \$ 4,314,297 | \$ 93,956,318  | 15%                      | \$ 3,838                      |             |
| 2022        | \$ 33,793,716              | \$ 995,600    | \$ 6,396,833 | \$ 709,000        | \$ -                       | \$ 2,401,468             | \$ 62,626,289     | \$ 5,489,400      | \$ 625,196        | \$ (9,122)        | \$ 6,393,329 | \$ 119,421,709 | 19%                      | \$ 4,743                      |             |
| 2023        | \$ 34,990,000              | \$ 995,600    | \$ 6,118,133 | \$ 536,000        | \$ -                       | \$ -                     | \$ 102,090,000    | \$ 5,484,400      | \$ 325,364        | \$ -              | \$ -         | \$ 150,539,497 | 24%                      | \$ 5,617                      |             |

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

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

| <b>Fiscal Year</b> | <b>Estimated Population</b> | <b>Assessed Value</b> | <b>Gross Bonded Debt</b> | <b>Less Debt Service Funds</b> | <b>Net Bonded Debt</b> | <b>% of Net Bonded Debt to Assessed Value</b> | <b>Net Bonded Debt per Capita</b> |
|--------------------|-----------------------------|-----------------------|--------------------------|--------------------------------|------------------------|-----------------------------------------------|-----------------------------------|
| 2014               | 22,722                      | \$ 1,353,032,807      | \$ 25,715,000            | \$ 6,139                       | \$ 25,708,861          | 1.90%                                         | \$ 1,131                          |
| 2015               | 22,907                      | \$ 1,465,764,120      | \$ 30,285,000            | \$ 108,000                     | \$ 30,177,000          | 2.06%                                         | \$ 1,317                          |
| 2016               | 23,447                      | \$ 1,561,217,874      | \$ 39,167,644            | \$ 207,881                     | \$ 38,959,763          | 2.50%                                         | \$ 1,662                          |
| 2017               | 23,654                      | \$ 1,629,821,252      | \$ 46,801,568            | \$ 224,608                     | \$ 46,576,960          | 2.86%                                         | \$ 1,969                          |
| 2018               | 24,380                      | \$ 1,744,999,573      | \$ 49,741,249            | \$ 280,132                     | \$ 49,461,117          | 2.83%                                         | \$ 2,029                          |
| 2019               | 25,118                      | \$ 1,906,343,253      | \$ 50,937,621            | \$ 628,365                     | \$ 50,309,256          | 2.64%                                         | \$ 2,003                          |
| 2020               | 24,860                      | \$ 2,120,445,267      | \$ 60,718,902            | \$ 962,085                     | \$ 59,756,817          | 2.82%                                         | \$ 2,404                          |
| 2021               | 24,479                      | \$ 2,448,766,610      | \$ 80,960,000            | \$ 1,409,597                   | \$ 79,550,403          | 3.25%                                         | \$ 3,250                          |
| 2022               | 25,179                      | \$ 3,013,659,181      | \$ 102,900,000           | \$ 986,455                     | \$ 101,913,545         | 3.38%                                         | \$ 4,048                          |
| 2023               | 26,800                      | \$ 3,500,868,307      | \$ 143,560,000           | \$ 1,867,737                   | \$ 141,692,263         | 4.05%                                         | \$ 5,287                          |

**Sources:** Assessed Value obtained from the Grayson County Appraisal District

Gross Bonded Debt obtained from the Schedule of Bonds Payable and Total Bonds for Fiscal Year.

Debt Service Figures Obtained from Financial Statements.



# City of Denison, Texas

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2023 (Unaudited)

| Governmental Subdivision                                                                        | Gross Bonded Debt     | Percentage of Debt Applicable to Area | City Share of Overlapping Debt |
|-------------------------------------------------------------------------------------------------|-----------------------|---------------------------------------|--------------------------------|
| Denison Independent School District                                                             | \$ 206,600,000        | 75.13%                                | \$ 155,218,580                 |
| Grayson County                                                                                  | \$ 43,125,000         | 15.02%                                | \$ 6,477,375                   |
| Grayson County JCD                                                                              | \$ 16,610,000         | 15.02%                                | \$ 2,494,822                   |
| Pottsboro Independent School District                                                           | \$ 63,262,000         | 4.99%                                 | \$ 3,156,774                   |
| Sherman Independent School District                                                             | \$ 413,235,000        | 0.54%                                 | \$ 2,231,469                   |
|                                                                                                 | <u>\$ 742,832,000</u> |                                       | <u>\$ 169,579,020</u>          |
| City of Denison                                                                                 |                       |                                       | <u>\$ 42,639,733</u>           |
| Total Direct and Overlapping Debt                                                               |                       |                                       | <u>\$ 212,218,753</u>          |
| Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value) |                       |                                       | 6.06%                          |
| Per capita overlapping bonded debt                                                              |                       |                                       | \$ 8,428                       |

**Source:** "Texas Municipal Report" as of September 30, 2023, prepared by the Municipal Advisory Council.

**Note:** 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 Denison. This process recognizes that, when considering the City of Denison'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.

(1) The percentage of overlapping debt applicable is estimated using the taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the City of Denison's boundaries and dividing it by the overlapping government's total taxable assessed value.

# City of Denison, Texas

## LEGAL DEBT MARGIN INFORMATION

### Last Ten Fiscal Years (Unaudited)

|                    | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       |
|--------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Tax Rate Limit     | \$ 2.50    | \$ 2.50    | \$ 2.50    | \$ 2.50    | \$ 2.50    | \$ 2.50    | \$ 2.50    | \$ 2.50    | \$ 2.50    | \$ 2.50    |
| Current Tax Rate   | 0.653377   | 0.653377   | 0.653377   | 0.643377   | 0.633377   | 0.633377   | 0.652034   | 0.652034   | 0.652034   | 0.652034   |
| Available Tax Rate | \$ 1.84662 | \$ 1.84662 | \$ 1.84662 | \$ 1.85662 | \$ 1.86662 | \$ 1.86662 | \$ 1.84797 | \$ 1.84797 | \$ 1.84797 | \$ 1.84797 |

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

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

| Water and Sewer Revenue Bonds |                             |                                       |                                    |              |              |                |
|-------------------------------|-----------------------------|---------------------------------------|------------------------------------|--------------|--------------|----------------|
| Fiscal Year                   | Total Revenues <sup>a</sup> | Less: Operating Expenses <sup>b</sup> | Net Available Revenue <sup>c</sup> | Debt Service |              | Times Coverage |
|                               |                             |                                       |                                    | Principal    | Interest     |                |
| 2014                          | \$ 9,890,510                | \$ 6,965,274                          | \$ 2,925,236                       | \$ 1,060,000 | \$ 675,713   | 1.69           |
| 2015                          | \$ 10,874,750               | \$ 7,746,416                          | \$ 3,128,334                       | \$ 976,000   | \$ 615,713   | 1.97           |
| 2016                          | \$ 11,035,471               | \$ 7,521,650                          | \$ 3,513,821                       | \$ 1,111,000 | \$ 941,888   | 1.71           |
| 2017                          | \$ 11,925,469               | \$ 7,535,900                          | \$ 4,389,569                       | \$ 1,370,000 | \$ 796,903   | 2.03           |
| 2018                          | \$ 12,555,348               | \$ 8,744,362                          | \$ 3,810,986                       | \$ 1,580,819 | \$ 1,002,773 | 1.48           |
| 2019                          | \$ 12,555,811               | \$ 7,351,257                          | \$ 5,204,554                       | \$ 1,807,250 | \$ 1,199,012 | 1.73           |
| 2020                          | \$ 13,791,147               | \$ 7,707,087                          | \$ 6,084,060                       | \$ 2,053,900 | \$ 1,341,347 | 1.79           |
| 2021                          | \$ 14,507,497               | \$ 7,868,881                          | \$ 6,638,616                       | \$ 2,382,400 | \$ 1,246,767 | 1.83           |
| 2022                          | \$ 16,939,915               | \$ 8,541,625                          | \$ 8,398,290                       | \$ 2,698,700 | \$ 1,741,110 | 1.89           |
| 2023                          | \$ 19,098,382               | \$ 11,378,579                         | \$ 7,719,803                       | \$ 3,362,000 | \$ 2,739,334 | 1.27           |

**Notes:** a Total Revenues does not include non-operating revenues.  
b Operating Expenses only, no transfers or depreciation.  
c Includes Principal and Interest

# City of Denison, Texas

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### Last Ten Fiscal Years (Unaudited)

| Fiscal Year | Estimated Population <sup>1</sup> | Personal Income | Per Capita Income <sup>2</sup> | Median Age <sup>3</sup> | Grade School Enrollment <sup>4</sup><br>(DISD figures only) | Unemployment Rate <sup>5</sup> |
|-------------|-----------------------------------|-----------------|--------------------------------|-------------------------|-------------------------------------------------------------|--------------------------------|
| 2014        | 22,722                            | \$ 507,473,148  | \$ 22,334                      | 41.8                    | 2,215                                                       | 5.70%                          |
| 2015        | 22,907                            | \$ 473,716,760  | \$ 20,680                      | 41.8                    | 2,600                                                       | 4.10%                          |
| 2016        | 23,447                            | \$ 492,036,702  | \$ 20,985                      | 39.5                    | 2,555                                                       | 3.60%                          |
| 2017        | 23,654                            | \$ 528,288,436  | \$ 22,334                      | 41.8                    | 2,610                                                       | 3.00%                          |
| 2018        | 24,380                            | \$ 614,229,720  | \$ 25,194                      | 39.5                    | 2,675                                                       | 3.50%                          |
| 2019        | 25,118                            | \$ 633,802,494  | \$ 25,233                      | 39.5                    | 2,660                                                       | 2.90%                          |
| 2020        | 24,860                            | \$ 625,825,640  | \$ 25,174                      | 39.5                    | 3,250                                                       | 3.90%                          |
| 2021        | 24,479                            | \$ 617,678,607  | \$ 25,233                      | 39.5                    | 3,250                                                       | 3.80%                          |
| 2022        | 25,179                            | \$ 650,021,064  | \$ 25,816                      | 40.7                    | 4,674                                                       | 4.00%                          |
| 2023        | 26,800                            | \$ 847,121,200  | \$ 31,609                      | 40.1                    | 4,868                                                       | 4.30%                          |

**Sources:**

- 1 Estimated based on demographic data obtained from the Denison Development Alliance and/or US Census Bureau
- 2 Estimated based on demographic data obtained from the Denison Development Alliance and/or US Census Bureau
- 3 Estimated based on demographic data obtained from the Denison Development Alliance and/or US Census Bureau
- 4 Denison ISD Human Resources Department.
- 5 U.S. Department of Labor: <http://www.bls.gov/lau/#tables> (Unemployment Rates for Metropolitan Areas> Sherman Denison Statistical Area)

# City of Denison, Texas

## PRINCIPAL EMPLOYERS

Current Fiscal Year and Nine Years Ago (Unaudited)

| Name of Employer                    | Location           | Product                     | 2023             |      |                                     | 2014             |      |                                     |
|-------------------------------------|--------------------|-----------------------------|------------------|------|-------------------------------------|------------------|------|-------------------------------------|
|                                     |                    |                             | No. of Employees | Rank | Percentage of Total City Employment | No. of Employees | Rank | Percentage of Total City Employment |
| Texoma Medical Center               | 5016 US Hwy 75 S   | Health Care Services        | 4,000            | 1    | 14.93%                              | 1,375            | 1    | 6.05%                               |
| Ruiz Foods                          | 2410 Texoma Drive  | El Monterey Frozen Foods    | 1,100            | 2    | 4.10%                               | 850              | 3    | 3.74%                               |
| Walmart                             | 4636 US Hwy 75 S   | Large Retailer              | 900              | 3    | 3.36%                               | n/a              | n/a  | n/a                                 |
| CIGNA                               | 4636 US Hwy 75 S   | Insurance Claims Processing | 800              | 4    | 2.99%                               | 1,000            | 2    | 4.40%                               |
| Denison Independent School District | 1201 S Rusk        | Education - Public Schools  | 722              | 5    | 2.69%                               | 624              | 4    | 2.75%                               |
| Spectrum Brands - Kwikset           | 2600 TX-91         | Manufacturing               | 320              | 6    | 1.19%                               | n/a              | n/a  | n/a                                 |
| Grayson College                     | 6101 Grayson Dr    | Education - College         | 312              | 7    | 1.16%                               | 230              | 8    | 1.01%                               |
| City of Denison                     | 300 W Main St      | Government Agency           | 303              | 8    | 1.13%                               | 310              | 7    | 1.36%                               |
| Caterpillar Inc                     | 6101 Grayson Dr    | Manufacturing               | 250              | 9    | 0.93%                               | 417              | 5    | 1.84%                               |
| Champion Cooler Corporation         | 1724 S Scullin Ave | Manufacturing               | 220              | 10   | 0.82%                               | 220              | 9    | 0.97%                               |
| Novo 1 Contact Center               | 2415 S Austin Ave  | Customer Sales & Service    | n/a              | n/a  | n/a                                 | 408              | 6    | 1.80%                               |
| Denison Industries                  | 22 Fielder Dr      | Aluminum Castings           | n/a              | n/a  | n/a                                 | 210              | 10   | 0.92%                               |
| Total Employment Above:             |                    |                             | 8,927            |      | 33.31%                              | 5,644            |      | 24.84%                              |
| Total Estimated Population:         |                    |                             | 26,800           |      |                                     | 22,722           |      |                                     |

Source: Denison Development Alliance (DDA) website.

# City of Denison, Texas

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

| Function / Program         | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------|------|------|------|------|------|------|------|------|------|------|
| General government         | 25   | 26   | 27   | 27   | 30   | 31   | 31   | 46   | 43   | 50   |
| Cemetery                   | 6    | 5    | 5    | 5    | 5    | 4    | 4    | 5    | 5    | 5    |
| Library                    | 17   | 12   | 12   | 12   | 14   | 14   | 14   | 10   | 11   | 11   |
| Municipal Court            | 3    | 3    | 3    | 4    | 4    | 4    | 4    | 5    | 3    | 3    |
| Police & Communications    | 56   | 58   | 60   | 57   | 58   | 60   | 60   | 65   | 72   | 72   |
| Fire (& EMS)               | 35   | 31   | 62   | 59   | 61   | 61   | 61   | 56   | 60   | 63   |
| Emergency Medical Services | 28   | 31   | -    | -    | 0    | 0    | 0    | 0    | 0    | 0    |
| Animal Control             | 2    | 2    | 2    | 2    | 2    | 2    | 3    | 3    | 3    | 3    |
| Public Works               | 58   | 51   | 44   | 44   | 43   | 43   | 43   | 35   | 40   | 41   |
| Parks and Recreation       | 15   | 17   | 28   | 28   | 32   | 34   | 34   | 19   | 21   | 22   |
| Water and Sewer Systems    | 51   | 55   | 63   | 58   | 56   | 58   | 58   | 68   | 72   | 75   |
|                            | 295  | 292  | 306  | 296  | 305  | 311  | 312  | 312  | 330  | 345  |

**Source:** Employee Services Division

**Notes:** An FTE is determined by converting the hours worked by all employees (both full-time & part-time) under that function/program into the hours equivalent to a full-time worker. An FTE is considered to 2,080 hours (8 hr per day x 5 work days x 52 weeks) for the fiscal year.

# City of Denison, Texas

## OPERATING INDICATORS BY FUNCTIONS/PROGRAM

Last Ten Fiscal Years (Unaudited)

|                                            | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      | 2020      | 2021      | 2022      | 2023      |
|--------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Function/Program</b>                    |           |           |           |           |           |           |           |           |           |           |
| Public Safety                              |           |           |           |           |           |           |           |           |           |           |
| Municipal Court                            |           |           |           |           |           |           |           |           |           |           |
| Number of cases filed                      | 9,035     | 5,455     | 5,852     | 5,248     | 3,748     | 3,567     | 2,779     | 3,906     | 4,637     | 5,030     |
| Police                                     |           |           |           |           |           |           |           |           |           |           |
| Physical Arrests                           | 2,215     | 1,873     | 1,994     | 1,809     | 1,197     | 848       | 802       | 1,411     | 1,591     | 1,645     |
| Traffic Violations                         | 9,053     | 8,978     | 9,595     | 8,101     | 6,752     | 6,672     | 7,788     | 12,801    | 10,633    | 11,870    |
| Fire                                       |           |           |           |           |           |           |           |           |           |           |
| Number of Incidents/Responses <sup>1</sup> | 3,992     | 5,150     | 4,931     | 5,413     | 5,557     | 5,386     | 5,048     | 6,040     | 5,083     | 4,887     |
| Animal Control                             |           |           |           |           |           |           |           |           |           |           |
| Number of calls                            | 2,826     | 3,224     | 3,612     | 2,609     | 2,537     | 3,208     | 2,670     | 2,256     | 2,317     | 2,300     |
| Public Works                               |           |           |           |           |           |           |           |           |           |           |
| Streets maintained (miles)                 | 172.1     | 172.6     | 173.2     | 173.2     | 174.7     | 175.3     | 175.3     | 175.3     | 184.5     | 194.3     |
| Water and Wastewater                       |           |           |           |           |           |           |           |           |           |           |
| New connections                            | 22        | 38        | 92        | 161       | 177       | 184       | 236       | 200       | 395       | 265       |
| Annual gallons of water pumped*            | 1,645,984 | 1,660,087 | 1,641,722 | 1,476,599 | 1,687,602 | 1,590,020 | 1,595,928 | 1,819,915 | 1,904,940 | 1,949,830 |
| Miles of water mains maintained            | 217.1     | 219.1     | 219.1     | 221.2     | 223.5     | 223.9     | 228.8     | 228.8     | 261.9     | 268.9     |

**Source:** City Departments

**Notes:** 1. FY2009 is first year that fire engines were sent out with ambulance runs.

Beginning with FY2015 totals include both fire and medical responses.

\*in thousands

Indicators are not available for the general government function

# City of Denison, Texas

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

| Function/Program       | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Public Safety          |       |       |       |       |       |       |       |       |       |       |
| Police                 |       |       |       |       |       |       |       |       |       |       |
| Stations               | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Patrol Units           | 12    | 13    | 13    | 13    | 13    | 15    | 15    | 15    | 15    | 15    |
| Fire                   |       |       |       |       |       |       |       |       |       |       |
| Stations               | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     |
| Public Works           |       |       |       |       |       |       |       |       |       |       |
| Streets (miles)        | 172.1 | 172.6 | 173.2 | 173.2 | 174.7 | 175.3 | 175.3 | 175.3 | 184.5 | 194.3 |
| Parks and Recreation   |       |       |       |       |       |       |       |       |       |       |
| Parks (acreage)        | 348.2 | 348.2 | 338.1 | 338.1 | 400   | 565.6 | 565.6 | 587.7 | 587.7 | 587.7 |
| Number of playgrounds  | 14    | 14    | 12    | 13    | 16    | 16    | 16    | 16    | 16    | 16    |
| Water and Wastewater   |       |       |       |       |       |       |       |       |       |       |
| Water main (miles)     | 217.1 | 219.1 | 219.1 | 221.2 | 223.5 | 223.9 | 228.8 | 228.8 | 261.9 | 268.9 |
| Sewer mains (miles)    | 198.6 | 200.0 | 200.1 | 200.6 | 201.9 | 202.3 | 205.7 | 205.7 | 206.8 | 211.6 |
| Storm drainage (miles) | 11.2  | 11.8  | 11.8  | 12.1  | 13.1  | 13.7  | 13.7  | 13.7  | 14.5  | 14.5  |

Source: City departments



***CONTINUING DISCLOSURE***  
***(Unaudited)***

# City of Denison, Texas

## VALUATION, EXEMPTIONS, AND GENERAL OBLIGATION DEBT

### September 30, 2023 (Unaudited)

|                                |    |               |
|--------------------------------|----|---------------|
| 2022 Tax Year Market Valuation | \$ | 3,736,572,666 |
|--------------------------------|----|---------------|

Less:

|                                  |    |             |                |
|----------------------------------|----|-------------|----------------|
| Productivity Loss                | \$ | 56,872,740  |                |
| Homestead Cap                    | \$ | 178,831,619 |                |
| Exemption DP - Disabled          | \$ | 5,856,151   |                |
| Exemption OV65 - Over 65         | \$ | 34,820,566  |                |
| Exemption DV - Disabled Veterans | \$ | 40,811,920  |                |
| Exemption EX - Exempt Property   | \$ | 351,506,085 |                |
| Exemption FR                     | \$ | 88,084,343  |                |
| Exemption AB                     | \$ | 4,257,785   |                |
| Exemption PC                     | \$ | 295,996     |                |
| Exemption PPV                    | \$ | 18,040      |                |
| Exemption SO                     | \$ | 1,994,044   | \$ 763,349,289 |

|                                          |    |               |
|------------------------------------------|----|---------------|
| 2022 Tax Year Taxable Assessed Valuation | \$ | 2,973,223,377 |
|------------------------------------------|----|---------------|

|                                                                                                |    |             |
|------------------------------------------------------------------------------------------------|----|-------------|
| General Obligation Debt Payable from Ad Valorem Taxes                                          | \$ | 137,735,000 |
| Less: Self-supporting Debt ( <i>Combination Tax &amp; Revenue Certificates of Obligation</i> ) | \$ | 111,102,400 |

|                                                           |    |            |
|-----------------------------------------------------------|----|------------|
| Net General Obligation Debt Payable from Ad Valorem Taxes | \$ | 26,632,600 |
|-----------------------------------------------------------|----|------------|

|                                                                       |    |           |
|-----------------------------------------------------------------------|----|-----------|
| General Obligation Interest and Sinking Fund as of September 30, 2023 | \$ | 1,867,737 |
|-----------------------------------------------------------------------|----|-----------|

|                                                                 |       |
|-----------------------------------------------------------------|-------|
| Ratio General Obligation Tax Debt to Taxable Assessed Valuation | 0.90% |
|-----------------------------------------------------------------|-------|

|                                                                      |    |         |
|----------------------------------------------------------------------|----|---------|
| 2023 Estimated Population                                            |    | 26,800  |
| Per Capita Taxable Assessed Valuation                                | \$ | 110,941 |
| Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes | \$ | 5,139   |

**Source:** Grayson County Appraisal District - Certified Roll (As of Certification)

# City of Denison, Texas

## TAXABLE ASSESSED VALUATIONS BY CATEGORY

### Last Ten Fiscal Years (Unaudited)

| Category                                | 2023             |            | 2022             |            | 2021             |            | 2020             |            | 2019             |            |
|-----------------------------------------|------------------|------------|------------------|------------|------------------|------------|------------------|------------|------------------|------------|
|                                         | Amount           | % of Total | Amount           | % of Total | Amount           | % of Total | Amount           | % of Total | Amount           | % of Total |
| Real-Residential Single-Family          | \$ 1,815,160,243 | 56.50%     | \$ 1,522,844,203 | 47.40%     | \$ 1,133,893,145 | 45.30%     | \$ 980,421,588   | 44.45%     | \$ 857,100,275   | 43.49%     |
| Real-Residential Mobile Home            | \$ 13,968,723    | 0.43%      | \$ 11,527,025    | 0.36%      | \$ 7,519,041     | 0.30%      | \$ 8,712,362     | 0.40%      | \$ 5,494,764     | 0.28%      |
| Real-Other Improvements                 | \$ 4,485,452     | 0.14%      | \$ 3,724,816     | 0.12%      | \$ 2,691,682     | 0.11%      | \$ 1,962,181     | 0.09%      | \$ 1,720,187     | 0.09%      |
| Real-Residential, Multi-Family          | \$ 171,456,350   | 5.34%      | \$ 132,057,722   | 4.11%      | \$ 92,301,122    | 3.69%      | \$ 47,629,635    | 2.16%      | \$ 40,188,925    | 2.04%      |
| Real-Vacant Lots/Tracts                 | \$ 87,670,711    | 2.73%      | \$ 78,749,757    | 2.45%      | \$ 54,203,712    | 2.17%      | \$ 43,440,787    | 1.97%      | \$ 37,310,013    | 1.89%      |
| Real-Acreage Farm and Ranch             | \$ 57,260,461    | 1.78%      | \$ 45,486,631    | 1.42%      | \$ 29,575,726    | 1.18%      | \$ 28,809,461    | 1.31%      | \$ 22,723,871    | 1.15%      |
| Real-Undeveloped Land                   | \$ 31,791,739    | 0.99%      | \$ 22,207,135    | 0.69%      | \$ 20,293,444    | 0.81%      | \$ 15,726,129    | 0.71%      | \$ 13,524,591    | 0.69%      |
| Real-Commercial                         | \$ 705,341,878   | 21.96%     | \$ 635,489,645   | 19.78%     | \$ 528,720,010   | 21.12%     | \$ 463,682,675   | 21.02%     | \$ 425,900,291   | 21.61%     |
| Real-Industrial                         | \$ 53,811,889    | 1.68%      | \$ 53,403,968    | 1.66%      | \$ 52,307,766    | 2.09%      | \$ 51,634,507    | 2.34%      | \$ 47,668,977    | 2.42%      |
| Real and Intangible Personal, Utilities | \$ 67,706,196    | 2.11%      | \$ 57,715,021    | 1.80%      | \$ 50,926,474    | 2.03%      | \$ 44,394,936    | 2.01%      | \$ 42,870,428    | 2.18%      |
| Tangible Personal, Commercial           | \$ 165,279,649   | 5.14%      | \$ 133,916,391   | 4.17%      | \$ 124,502,423   | 4.97%      | \$ 118,580,027   | 5.38%      | \$ 108,174,038   | 5.49%      |
| Tangible Commercial, Industrial         | \$ 178,543,183   | 5.56%      | \$ 186,565,429   | 5.81%      | \$ 156,382,156   | 6.25%      | \$ 175,380,263   | 7.95%      | \$ 158,207,243   | 8.03%      |
| Tangible Personal, Mobile Homes         | \$ 693,935       | 0.02%      | \$ 679,317       | 0.02%      | \$ 395,099       | 0.02%      | \$ 410,071       | 0.02%      | \$ 449,928       | 0.02%      |
| Tangible Personal, Other                | \$ 355,781,910   | 11.07%     | \$ 319,978,541   | 9.96%      | \$ 241,513,652   | 9.65%      | \$ 217,191,078   | 9.85%      | \$ 207,200,656   | 10.51%     |
| Real Property, Inventory                | \$ 27,620,347    | 0.86%      | \$ 8,248,072     | 0.26%      | \$ 7,609,068     | 0.30%      | \$ 7,555,120     | 0.34%      | \$ 2,473,083     | 0.13%      |
| Total Appraised Value                   | 3,736,572,666    | 116.31%    | 3,212,593,673    | 100.00%    | 2,502,834,520    | 100.00%    | 2,205,530,820    | 100.00%    | 1,971,007,270    | 100.00%    |
| Less: Total Exemptions/Reductions       | 235,704,359      |            | 198,934,492      |            | 54,067,910       |            | 85,085,553       |            | 64,664,017       |            |
| Taxable Assessed Value                  | \$ 3,500,868,307 |            | \$ 3,013,659,181 |            | \$ 2,448,766,610 |            | \$ 2,120,445,267 |            | \$ 1,906,343,253 |            |

# City of Denison, Texas

## TAXABLE ASSESSED VALUATIONS BY CATEGORY (continued) Last Ten Fiscal Years (Unaudited)

| Category                                | 2018             |            |                  | 2017             |            |                  | 2016             |            |                  | 2015             |            |                  | 2014             |            |  |
|-----------------------------------------|------------------|------------|------------------|------------------|------------|------------------|------------------|------------|------------------|------------------|------------|------------------|------------------|------------|--|
|                                         | Amount           | % of Total | Amount           | Amount           | % of Total | Amount           | Amount           | % of Total | Amount           | Amount           | % of Total | Amount           | Amount           | % of Total |  |
| Real-Residential Single-Family          | \$ 734,358,391   | 40.96%     | \$ 667,525,220   | \$ 587,302,253   | 37.00%     | \$ 566,235,637   | \$ 559,623,842   | 37.98%     | \$ 566,235,637   | \$ 559,623,842   | 37.98%     | \$ 559,623,842   | \$ 559,623,842   | 40.77%     |  |
| Real-Residential Mobile Home            | \$ 6,280,213     | 0.35%      | \$ 4,401,753     | \$ 4,029,401     | 0.26%      | \$ 3,982,701     | \$ 3,886,979     | 0.27%      | \$ 3,982,701     | \$ 3,886,979     | 0.27%      | \$ 3,886,979     | \$ 3,886,979     | 0.28%      |  |
| Real-Other Improvements                 | \$ 1,540,512     | 0.09%      | \$ 1,466,787     | \$ 1,336,417     | 0.08%      | \$ 1,514,841     | \$ 1,458,822     | 0.10%      | \$ 1,514,841     | \$ 1,458,822     | 0.10%      | \$ 1,458,822     | \$ 1,458,822     | 0.11%      |  |
| Real-Residential, Multi-Family          | \$ 35,344,836    | 1.97%      | \$ 30,576,020    | \$ 30,076,264    | 1.82%      | \$ 31,909,976    | \$ 29,691,769    | 2.14%      | \$ 31,909,976    | \$ 29,691,769    | 2.14%      | \$ 29,691,769    | \$ 29,691,769    | 2.16%      |  |
| Real-Vacant Lots/Tracts                 | \$ 33,165,813    | 1.85%      | \$ 33,787,863    | \$ 28,284,957    | 1.78%      | \$ 28,829,301    | \$ 30,121,292    | 1.93%      | \$ 28,829,301    | \$ 30,121,292    | 1.93%      | \$ 30,121,292    | \$ 30,121,292    | 2.19%      |  |
| Real-Acreage Farm and Ranch             | \$ 22,095,042    | 1.23%      | \$ 21,078,706    | \$ 21,390,265    | 1.35%      | \$ 21,688,398    | \$ 15,379,772    | 1.45%      | \$ 21,688,398    | \$ 15,379,772    | 1.45%      | \$ 15,379,772    | \$ 15,379,772    | 1.12%      |  |
| Real-Undeveloped Land                   | \$ 12,479,957    | 0.70%      | \$ 10,539,000    | \$ 9,711,330     | 0.61%      | \$ 8,950,434     | \$ 6,625,957     | 0.60%      | \$ 8,950,434     | \$ 6,625,957     | 0.60%      | \$ 6,625,957     | \$ 6,625,957     | 0.48%      |  |
| Real-Commercial                         | \$ 381,817,579   | 21.30%     | \$ 353,777,915   | \$ 336,482,483   | 21.20%     | \$ 312,816,944   | \$ 305,451,398   | 20.98%     | \$ 312,816,944   | \$ 305,451,398   | 20.98%     | \$ 305,451,398   | \$ 305,451,398   | 22.25%     |  |
| Real-Industrial                         | \$ 51,460,502    | 2.87%      | \$ 53,673,514    | \$ 52,798,639    | 3.33%      | \$ 38,837,036    | \$ 37,498,437    | 2.61%      | \$ 38,837,036    | \$ 37,498,437    | 2.61%      | \$ 37,498,437    | \$ 37,498,437    | 2.73%      |  |
| Real and Intangible Personal, Utilities | \$ 39,250,234    | 2.19%      | \$ 49,086,040    | \$ 48,097,814    | 3.03%      | \$ 44,869,875    | \$ 44,544,120    | 3.01%      | \$ 44,869,875    | \$ 44,544,120    | 3.01%      | \$ 44,544,120    | \$ 44,544,120    | 3.25%      |  |
| Tangible Personal, Commercial           | \$ 99,966,693    | 5.58%      | \$ 98,977,449    | \$ 93,540,112    | 5.89%      | \$ 94,281,026    | \$ 92,536,831    | 6.32%      | \$ 94,281,026    | \$ 92,536,831    | 6.32%      | \$ 92,536,831    | \$ 92,536,831    | 6.74%      |  |
| Tangible Commercial, Industrial         | \$ 163,816,357   | 9.14%      | \$ 167,041,409   | \$ 186,369,686   | 11.74%     | \$ 165,902,052   | \$ 160,374,293   | 11.13%     | \$ 165,902,052   | \$ 160,374,293   | 11.13%     | \$ 160,374,293   | \$ 160,374,293   | 11.68%     |  |
| Tangible Personal, Mobile Homes         | \$ 452,794       | 0.03%      | \$ 429,433       | \$ 423,919       | 0.03%      | \$ 413,726       | \$ 424,896       | 0.03%      | \$ 413,726       | \$ 424,896       | 0.03%      | \$ 424,896       | \$ 424,896       | 0.03%      |  |
| Tangible Personal, Other                | \$ 205,980,645   | 11.49%     | \$ 184,973,399   | \$ 186,363,033   | 11.74%     | \$ 169,408,224   | \$ 83,953,423    | 11.36%     | \$ 169,408,224   | \$ 83,953,423    | 11.36%     | \$ 83,953,423    | \$ 83,953,423    | 6.12%      |  |
| Real Property, Inventory                | \$ 4,834,381     | 0.27%      | \$ 1,488,297     | \$ 1,143,445     | 0.07%      | \$ 1,081,880     | \$ 1,004,205     | 0.07%      | \$ 1,081,880     | \$ 1,004,205     | 0.07%      | \$ 1,004,205     | \$ 1,004,205     | 0.07%      |  |
| Total Appraised Value                   | 1,792,843,949    | 100.00%    | 1,678,822,805    | 1,587,350,018    | 100.00%    | 1,490,722,051    | 1,372,576,036    | 100.00%    | 1,490,722,051    | 1,372,576,036    | 100.00%    | 1,372,576,036    | 1,372,576,036    | 100.00%    |  |
| Less: Total Exemptions/Reductions       | 47,844,376       |            | 49,001,553       | 26,132,144       |            | 24,957,931       | 19,543,229       |            | 24,957,931       | 19,543,229       |            | 19,543,229       | 19,543,229       |            |  |
| Taxable Assessed Value                  | \$ 1,744,999,573 |            | \$ 1,629,821,252 | \$ 1,561,217,874 |            | \$ 1,465,764,120 | \$ 1,353,032,807 |            | \$ 1,465,764,120 | \$ 1,353,032,807 |            | \$ 1,353,032,807 | \$ 1,353,032,807 |            |  |

Source: Grayson County Central Appraisal District certified taxable assessed values

**City of Denison, Texas**  
**VALUATION AND GENERAL OBLIGATION DEBT HISTORY**  
**Last Ten Fiscal Years (Unaudited)**

| <b>Fiscal<br/>Year<br/>Ended<br/>9/30</b> | <b>Estimated<br/>Population</b> |    | <b>Certified<br/>Assessed<br/>Valuation</b> | <b>Taxable<br/>Assessed<br/>Valuation<br/>Per Capita</b> | <b>Net G.O.<br/>Tax Debt<br/>Outstanding<br/>at End<br/>of Year*</b> | <b>Ratio of Net<br/>G.O. Tax Debt<br/>to Taxable<br/>Assessed<br/>Valuation</b> | <b>Net<br/>G.O. Tax<br/>Debt<br/>Per<br/>Capita</b> |
|-------------------------------------------|---------------------------------|----|---------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------|
| 2014                                      | 22,722                          | \$ | 1,353,032,807                               | \$ 59,547                                                | \$ 5,435,000                                                         | 0.40%                                                                           | \$ 239                                              |
| 2015                                      | 22,907                          | \$ | 1,465,764,120                               | \$ 63,988                                                | \$ 4,925,000                                                         | 0.34%                                                                           | \$ 215                                              |
| 2016                                      | 23,447                          | \$ | 1,561,217,874                               | \$ 66,585                                                | \$ 4,400,000                                                         | 0.28%                                                                           | \$ 188                                              |
| 2017                                      | 23,654                          | \$ | 1,629,821,252                               | \$ 68,903                                                | \$ 3,860,000                                                         | 0.24%                                                                           | \$ 163                                              |
| 2018                                      | 24,380                          | \$ | 1,744,999,573                               | \$ 71,575                                                | \$ 3,305,000                                                         | 0.19%                                                                           | \$ 136                                              |
| 2019                                      | 25,118                          | \$ | 1,906,343,253                               | \$ 75,896                                                | \$ 5,540,000                                                         | 0.29%                                                                           | \$ 221                                              |
| 2020                                      | 24,860                          | \$ | 2,120,445,267                               | \$ 85,295                                                | \$ 8,825,000                                                         | 0.42%                                                                           | \$ 355                                              |
| 2021                                      | 24,479                          | \$ | 2,448,766,610                               | \$ 100,035                                               | \$ 7,605,000                                                         | 0.31%                                                                           | \$ 311                                              |
| 2022                                      | 25,179                          | \$ | 3,013,659,181                               | \$ 119,689                                               | \$ 6,480,000                                                         | 0.22%                                                                           | \$ 257                                              |
| 2023                                      | 26,800                          | \$ | 3,500,868,307                               | \$ 130,629                                               | \$ 6,480,000                                                         | 0.19%                                                                           | \$ 242                                              |

**Sources:** Certified Assessed Valuation obtained from the Grayson County Appraisal District

**Notes:** \* Does not include self-supporting debt

**City of Denison, Texas**  
**TAX RATE LEVY AND COLLECTION HISTORY**  
**Last Ten Fiscal Years (Unaudited)**

| <b>Fiscal Year</b> | <b>Tax Rate</b> | <b>General Fund</b> | <b>Interest and Sinking Fund</b> | <b>Total Tax Levy</b> | <b>Current Tax Collections</b> | <b>% of Levy Collected</b> | <b>% of Total Tax Collections to Tax Levy</b> |
|--------------------|-----------------|---------------------|----------------------------------|-----------------------|--------------------------------|----------------------------|-----------------------------------------------|
| 2014               | \$ 0.653377     | \$ 0.581121         | \$ 0.072256                      | \$ 6,691,394          | \$ 6,679,697                   | 97.87%                     | 99.83%                                        |
| 2015               | \$ 0.653377     | \$ 0.569980         | \$ 0.083397                      | \$ 7,055,238          | \$ 7,043,901                   | 98.19%                     | 99.84%                                        |
| 2016               | \$ 0.653377     | \$ 0.575883         | \$ 0.077494                      | \$ 7,501,037          | \$ 7,488,271                   | 98.41%                     | 99.83%                                        |
| 2017               | \$ 0.643377     | \$ 0.578521         | \$ 0.064856                      | \$ 8,309,353          | \$ 8,291,473                   | 99.78%                     | 99.78%                                        |
| 2018               | \$ 0.633377     | \$ 0.530791         | \$ 0.102586                      | \$ 8,688,391          | \$ 8,666,249                   | 99.75%                     | 99.75%                                        |
| 2019               | \$ 0.633377     | \$ 0.521438         | \$ 0.111939                      | \$ 9,520,567          | \$ 9,492,589                   | 99.71%                     | 99.71%                                        |
| 2020               | \$ 0.652034     | \$ 0.556902         | \$ 0.095132                      | \$ 10,811,380         | \$ 10,773,941                  | 99.65%                     | 99.65%                                        |
| 2021               | \$ 0.652034     | \$ 0.554667         | \$ 0.097367                      | \$ 11,779,085         | \$ 11,725,850                  | 99.55%                     | 99.55%                                        |
| 2022               | \$ 0.652034     | \$ 0.554667         | \$ 0.097367                      | \$ 12,737,290         | \$ 12,622,619                  | 99.10%                     | 99.10%                                        |
| 2023               | \$ 0.652034     | \$ 0.576537         | \$ 0.075497                      | \$ 15,924,647         | \$ 15,573,481                  | 97.79%                     | 97.79%                                        |

**Source:** Grayson County Tax Assessor & Collector Recap & Standings Report

**City of Denison, Texas**  
***INTEREST AND SINKING FUND BUDGET PROJECTION***  
**September 30, 2023 (Unaudited)**

|                                                                                |    |                       |
|--------------------------------------------------------------------------------|----|-----------------------|
| Tax Supported Debt Service Requirements, Fiscal Year Ending September 30, 2023 | \$ | 3,430,414             |
| Tax Supported Other Fees & Payments                                            | \$ | 33,920                |
| Interest and Sinking Fund, September 30, 2023                                  | \$ | 986,455               |
| Budgeted Interest and Sinking Fund Tax Levy                                    | \$ | 4,270,616             |
| Budgeted Interest for Interest and Sinking Fund                                | \$ | 75,000                |
|                                                                                |    | <hr/>                 |
|                                                                                | \$ | 5,332,071             |
| Estimated Balance, September 30, 2023                                          | \$ | <hr/> <hr/> 1,867,737 |

**City of Denison, Texas**  
**MUNICIPAL SALES TAX HISTORY**  
**Last Ten Fiscal Years (Unaudited)**

| <b>Fiscal<br/>Year</b> | <b>Economic<br/>Development</b> | <b>City of<br/>Denison</b> | <b>Total<br/>Collected</b> | <b>% of<br/>Ad Valorem<br/>Tax Levy</b> | <b>Equivalent<br/>of<br/>Ad Valorem<br/>Tax Rate</b> | <b>Per<br/>Capita</b> |
|------------------------|---------------------------------|----------------------------|----------------------------|-----------------------------------------|------------------------------------------------------|-----------------------|
| 2014                   | \$ 1,383,599                    | \$ 4,154,796               | \$ 5,538,395               | 82.77%                                  | \$ 0.540793                                          | \$ 244                |
| 2015                   | \$ 1,483,577                    | \$ 4,450,730               | \$ 5,934,307               | 84.11%                                  | \$ 0.549569                                          | \$ 259                |
| 2016                   | \$ 1,561,591                    | \$ 4,684,773               | \$ 6,246,364               | 83.27%                                  | \$ 0.483293                                          | \$ 266                |
| 2017                   | \$ 1,719,068                    | \$ 5,157,204               | \$ 6,876,272               | 82.75%                                  | \$ 0.532416                                          | \$ 291                |
| 2018                   | \$ 1,860,856                    | \$ 5,582,867               | \$ 7,443,723               | 85.67%                                  | \$ 0.542642                                          | \$ 305                |
| 2019                   | \$ 1,903,653                    | \$ 5,710,960               | \$ 7,614,613               | 79.98%                                  | \$ 0.506579                                          | \$ 303                |
| 2020                   | \$ 2,037,412                    | \$ 6,112,237               | \$ 8,149,650               | 75.38%                                  | \$ 0.491505                                          | \$ 328                |
| 2021                   | \$ 2,190,355                    | \$ 6,571,066               | \$ 8,761,421               | 74.41%                                  | \$ 0.485177                                          | \$ 358                |
| 2022                   | \$ 2,425,911                    | \$ 7,277,734               | \$ 9,703,645               | 76.18%                                  | \$ 0.496739                                          | \$ 385                |
| 2023                   | \$ 2,750,375                    | \$ 8,251,124               | \$ 11,001,499              | 69.08%                                  | \$ 0.450456                                          | \$ 411                |



**City of Denison, Texas**  
***CASH AND INVESTMENTS FOR PRIMARY GOVERNMENT***  
**September 30, 2023 (Unaudited)**

| <u>Type of Investment</u>     |                |                      |
|-------------------------------|----------------|----------------------|
| Cash on Hand                  | 0.01%          | \$ 6,625             |
| Savings and Checking Accounts | 53.88%         | \$ 44,394,381        |
| Money Market Accounts         | 1.74%          | \$ 1,434,244         |
| Governmental Pool Accounts    | 43.39%         | \$ 35,754,827        |
| Certificates of Deposit       | <u>0.98%</u>   | <u>\$ 806,126</u>    |
|                               | <u>100.00%</u> | <u>\$ 82,396,203</u> |





**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**

*Independent Auditor's Report*

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

We have audited, 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, the financial statements of the governmental activities, the business-type activities, discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Denison, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City of Denison, Texas basic financial statements, and have issued our report thereon dated March 15, 2024.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City of Denison, Texas' internal control over financial reporting (internal control) to determine the 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 of Denison, Texas internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Denison, Texas' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be a material weaknesses.

*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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2023-001 to be a material weakness.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City of Denison, Texas' 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 determination of financial statement amounts. 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.

Respectfully,

A handwritten signature in black ink that reads "Brook Watson & Co." in a cursive, professional script.

BrooksWatson & Co., PLLC  
14950 Heathrow Forest Pkwy | Ste 530  
Houston, TX 77032  
March 15, 2024