



CITY OF  
**DENISON, TX**

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WWW.CITYOFDENISON.COM | 903.465.2720

**2024**

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**ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT**

FOR FISCAL YEAR ENDED  
SEPTEMBER 30, 2024





**CITY OF DENISON, TEXAS**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**YEAR ENDED SEPTEMBER 30, 2024**

**Prepared by:**

**Department of Finance**  
**Laurie Alsabbagh, Finance Director**  
**Amber Pilcher, Controller**  
**Orlando Macedo, Senior Accountant**

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**CITY OF DENISON, TEXAS**

SEPTEMBER 30, 2024

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## **INTRODUCTORY SECTION**

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## City of Denison

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



March 17, 2025

Honorable Mayor and City Council  
City of Denison  
Denison, Texas

Dear Mayor and Council Members:

The Annual Comprehensive Financial Report of the City of Denison, Texas for the year ended September 30, 2024, 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.

Patillo, Brown & Hill, L.L.P. have issued an unmodified (“clean”) opinion on the City of Denison’s financial statements for the year ended September 30, 2024. 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 34<sup>th</sup> largest of 254 counties in Texas with a population of just over 146,907. 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 28,000 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 2024. Denison is clearly focused on the quality of life for all its residents.

### Business Highlights:

- A-1 Floral Design Studio & Bloom Boutique at 3015 W. Woodlawn Blvd. held their ribbon cutting on March 28, 2024.
- Deviled Egg Co. at 231 W. Main St. held their ribbon cutting on April 2, 2024.
- ClearWater Express Wash at 3112 Regency Ln. held their ribbon cutting on May 8, 2024.
- Texoma Window Washers at 1011 W. Gandy St. held their ribbon cutting on May 31, 2024.
- Premiere Baby Imaging at 313 W. Main St. held their ribbon cutting on June 6, 2024.
- Iron Horse Bar and Grill at 100 W. Chestnut St. held their ribbon cutting on June 20, 2024.
- Ace Hardware at 815 W. Crawford St. held their ribbon cutting on June 23, 2024.
- Pen & Page Weathered Books at 607 W. Main St. held their ribbon cutting on July 26, 2024.
- Tangles Hair Design at 205 W. Main St. held their ribbon cutting on August 9, 2024.
- Posh Aesthetics at 121 W. Main St. held their ribbon cutting on August 28, 2024.
- Usher & Co at 226 W. Main St. held their ribbon cutting on September 3, 2024.
- Black Sheep Lounge at 127 W. Main St. held their ribbon cutting on September 12, 2024.
- Krayus Games at 231 W. Main St. held their ribbon cutting on September 18, 2024.
- Grayson Institute for Learning Childcare at 930 Martin Luther King St. held their ribbon cutting on September 19, 2024.

### Other Highlights:

- On October 9, 2023, a groundbreaking ceremony was held on Main Street in the three lots that lost buildings from the fire on October 9, 2019. There were remarks made by the Mayor and other city officials and residents. Groundbreaking took place by the lot owners to signify the plans to rebuild on the plots.
- In December of 2023, the City unveiled two sculptures along the Katy Trail. The sculptures were created by local artists from Casni Studio and are all railroad-inspired by Denison's rich history with the MKT railroad. These sculptures are in addition to the three created and placed in December 2022 along the same Katy Trail.
- In January 2024, Denison Fire Rescue was presented with the official ISO Class 1 Rating by Verisk and The Texas State Fire Marshall's Office. The rating officially took effect on January 1, 2024. Only 1.3% of cities in the Country currently hold a Class 1 Rating.
- The Denison Police Department announced a decrease of 24% in the town's overall crime rate for 2023.

- In February 2024, the City of Denison announced that the Denison Public Library received the 2023 Achievement of Library Excellence Award from the Texas Municipal Library Directors Association (TMLDA), an affiliate of the Texas Municipal League. This is the 10<sup>th</sup> year in a row for Denison. Of the 545 public libraries in Texas, only 84 received this award in 2023.
- On March 23, 2024, the City hosted its first annual Big Event. This event is a community-wide day of service that originated at Texas A&M university. Volunteer groups are organized and assigned to facilitate much needed outdoor projects for residents. This includes painting/repairing fences, yard cleaning, gardening, etc. Over 350 volunteers showed up to provide assistance to 50 locations within the City who requested help with projects.
- Thanks to community support from Simmons Bank, the Parks and Recreation Department announced the addition of fencing around the Pickleball courts at the Backyard in Waterloo Lake Regional Park. The fencing was a much-needed safety enhancement to provide a functional and inclusive space where people of all ages, backgrounds, and abilities can come together for fun, activity, and social connection.
- The honorable Mayor Janet Gott received the Anice B. Read Award of Excellence in Community Heritage Development on April 4, 2024. This award recognizes an individual or organization for exemplary work in community revitalization, preservation planning and protection, or heritage tourism which significantly advances the impacts of historic preservation in Texas. The award was presented by Garrett Donnelly, a member of the Texas Historical Commission and Brad Patterson, Deputy Director of the Texas Historical Commission.
- On April 8, 2024, the Denison Public Library hosted an Eclipse Watch Party. The City experienced a unique near total eclipse event that brought thousands of visitors within three to five miles of the area where totality was predicted.
- Two new murals were painted in Downtown by ARCY. “Postcard from Denison” is located at 111 W. Main Street and “Lake Texoma” can be found at 316 W. Woodard Street. Each of these murals encompasses the meaningful history and ample amenities our town proudly embraces.
- Municipal Court was recognized as an honorable mention by the Texas Municipal Courts Education Center regarding Municipal Traffic Safety Week. They were recognized for their work promoting railroad crossing safety.
- In May, the City Council welcomed a new Mayor, Mayor Pro Tem, and two council members to the board.
- Denison’s Communications and Media division received a first-place award for “Best Use of Short Form Video” for cities with a population under 50,000 at the TAMIO 2024 Conference.
- Denison Fire Rescue hosted its inaugural Citizen’s Fire Academy. This twelve-week program gave participants a unique, behind-the-scenes look at the operations and structure of Denison Fire Rescue.
- The Denison City Clerk’s Office received the Achievement of Excellence Award from the Texas Municipal Clerks Association for their effective and efficient management of resources for proper governance.
- In August, the Denison Police Department honored one of their own officers who lost his battle with cancer.
- In September 2024, the City launched a new City of Denison website, [www.denisontx.gov](http://www.denisontx.gov). Key updates include homepage buttons for popular searches, quick links, calendars of events, and additional ways to notify residents of disruptions to service.
- A total of 199 new residential permits were issued from October 2023 to September 2024.

## MAJOR INITIATIVES

- Preston Harbor Announcement- On January 19, 2024, Craig International announced their new partnership, Waterfall Development LP, officially closed on 3,114 acres for the Preston Harbor master-planned community located on Lake Texoma. The project, which is estimated to have a \$6 billion ad valorem on build out, will include approximately 7,500 homes, including luxury single-family, active adult, and multifamily, a resort hotel, retail, restaurants, and an upscale marina. Craig International also announced a \$100 million Margaritaville resort for Preston Harbor.
- The Loy Lake Road Reconstruction Update- In January 2024, crews finished unground utilities. The last 1,000 linear feet of sewer line was laid on Loy Lake to west of Westley Village Road. The crew then moved to Odell and Loy Lake to do two more water lines under the intersection. Paving crews will come behind them and finish pouring the remaining lanes and intersections. The roundabout at Coffin and Loy Lake was put into service in phases. Phase I began in January and allowed east bound traffic to use 1/3 of the roundabout to connect Loy Lake Road to Coffin Street.
- Chandler and Main Waterline Improvements- In January 2024, contractors and City staff began working on a waterline replacement on Chandler Avenue from Morton to Main Street. When this is installed, the crew will continue replacement along Main from Chandler to Armstrong. This project will replace the existing 14-inch water line with a new 24-inch transmission line and 8-inch service main. The team bore and capped the line to the north side of Morton Street to allow for a future phase of continued growth. The new lines improved service to existing customers and is a step in replacing existing primary feeds with upsized direct transmission lines.
- FM 84 Waterline Improvements Project Update- 9,000 linear feet of 12-inch waterlines were laid from Highway 75 to Lil' Old Road. All lines were tested and put into service in early February 2024.
- Highway 75 Waterline Relocates- The Texas Department of Transportation and the City began working together in preparation for the Highway 75 improvements project. The first phase of the project began in the first quarter of 2024 and included improvements for Spur 503. Three small City waterlines were identified for relocation early in the planning process. The lines were relocated and put into service in February 2024.
- On April 25, 2024, a groundbreaking ceremony was held to celebrate the D3 Phase 2 construction. Construction was set to begin in May in the Depot Alley in the 300 Block of West Main.
- Lake Texoma Raw Water Pump Station and Transmission Line. In April 2024, project contractors drilled a sixth row of tiebacks of the intake structure. They were able to install a second row on the east and west intake wingwalls. The tiebacks anchor the structure into concrete blocks driven into the soil to protect it from pressure from the earth behind it and from wave action on the lake. An additional row of tiebacks and an additional row of soil nails will be added. Soil nails are laid in the wall and pushed back through the soil before being grouted in with concrete. At the deepest section, the nails are about eighty feet long. The team will also install some of the final trimmings on the 42-inch raw water transmission line from the pump station site to Lake Randell. The estimated completion date is still set for fall of 2025.
- Northwest Denison Development Utilities and Rylant Water Treatment Plan Expansion Phase 2- The City approved the Guaranteed Maximum Price for the Northwest Denison Development (NWDD) Utilities and Rylant Water Treatment Plan (WTP) Expansion Phase 2. The NWDD Utilities project includes about 23,000 feet of 24" water pipe, 27,000 feet of 36" sewer pipe, a sanitary sewer receiving station, lift station, dual force mains, and fiber optic infrastructure. Construction for the first two packages in the NWDD project began in June, with clearing and preparing the work area

for trenching. The current schedule has water and sewer utilities to the City owned property on the corner of Kelsoe and Preston Road in 2026.

Phase 2 of the Rylant WTP Expansion includes procurement and installation of 2 - standalone microfiltration/ultrafiltration modules. This is new equipment and treatment technology to Denison. Staff worked with project engineers and the module manufacturers on a pilot program for several months getting training and dialing in the treatment process. This phase will add about 4 million gallons to the daily treatment capacity of the WTP to serve our growing community.

- Water System Improvements- In September 2024, a waterline extending from the Rylant Water Treatment Plant to FM 1310 was installed. This includes a 12-inch line feeding a meter vault equipped with a 4-inch meter to serve Eisenhower State Park. Additionally, an 8-inch waterline was installed to serve Thompson Heights. The new lines and connection points will enable the City and these two wholesale customers to decommission aging water lines at various locations that have been identified as frequent leak points. The tie-over to the new line is scheduled to happen in November.

## 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>
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
2023-2024	\$0.652034	2,974,862,790	17,787,360

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, 2023. This was the thirteenth 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

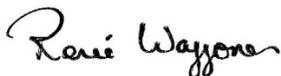
Many people are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Division who were instrumental in the successful completion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

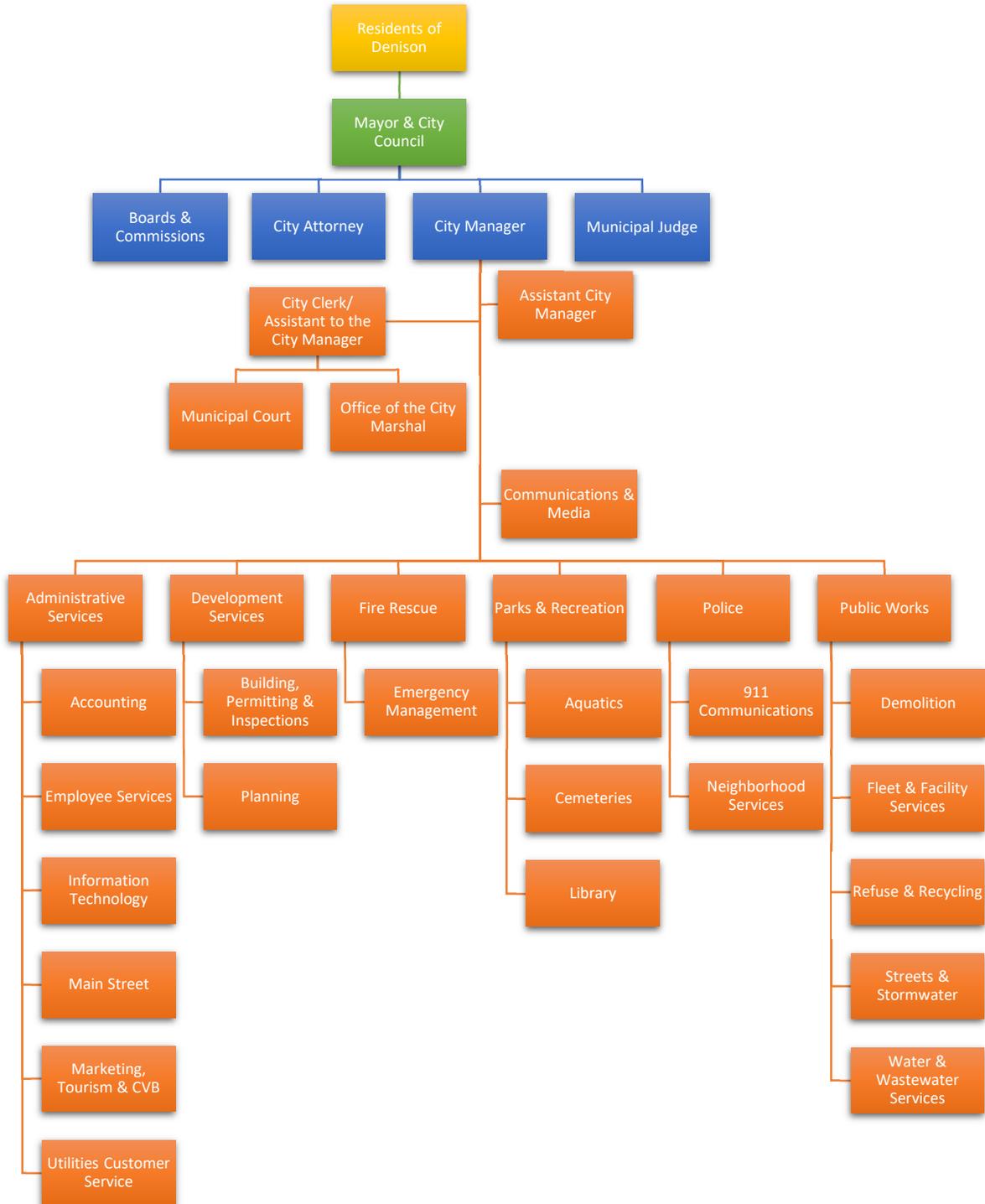


Bobby Atteberry  
INTERIM CITY MANAGER



Renee' Waggoner  
ASSISTANT CITY MANAGER

# City of Denison 2023/2024 Organizational Chart



# **CITY OF DENISON, TEXAS**

## **ELECTED AND APPOINTED OFFICIALS**

**SEPTEMBER 30, 2024**

### **City Council**

Mayor	Robert Crawley
Council Member Place #1	Michael Courtright
Council Member Place #2	James Thorne
Council Member Place #3	Josh Massey
Council Member Place #4	Spence Redwine
Council Member Place #5	Aaron Thomas
Council Member Place #6, Mayor Pro Tem	Teresa Adams

### **Appointed Officials**

City Manager	Bobby Atteberry
Assistant City Manager	Renee Waggoner
Finance Director	Laurie Alsabbagh
Police Chief	Mike Gudgel
Fire Chief	Kenneth Jacks
Executive Assistant to City Manager	Karen Avery
Public Works Director	Ronnie Bates



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, 2023

*Christopher P. Morill*

Executive Director/CEO

**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor  
and Members of City Council  
Denison, Texas

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Denison, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Denison, Texas' 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Denison, Texas, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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

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 of Denison, Texas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston  
NEW MEXICO | Albuquerque

## ***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 85%, 78%, and 94%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Additionally, we did not audit the financial statements of the Denison Community Investment Corporation, component unit of the City, which represents 11%, 15%, and 1%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Denison Business and Industrial Corporation, and Denison Community Investment 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Denison, Texas' 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 of Denison, Texas' 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.

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

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

### **Supplementary Information**

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

### **Other Information included in the Annual Comprehensive Financial Report**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2025, on our consideration of the City of Denison, Texas' 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 of Denison, Texas' 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 of Denison, Texas' internal control over financial reporting and compliance.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
March 17, 2025

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**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

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**City of Denison, Texas  
Management's Discussion and Analysis**

As management of the City of Denison, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. The information presented here should be considered in conjunction with the letter of transmittal at the front of this report and the financial statements which follow this section.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City of Denison exceeded its liabilities and inflows of resources at the close of the most recent fiscal year by \$99.0 million (net position). Of this amount, \$75.4 million represents net investment in capital assets, \$7.8 million is restricted for specific uses with the remainder identified as unrestricted, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$4.2 million or 4.51% from last fiscal year's net position. The increase was due to an increase in capital assets within both governmental and business-type activities. Additionally, the City's water and sewer sales, and sales tax and property tax revenues increased.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$29 million, a decrease of \$3.3 million in comparison with the prior year. Approximately 37.7% of this total amount, \$10.9 million, is available for spending at the government's discretion (unassigned fund balance). \$16.3 million or 56% of fund balance in the City's governmental funds is restricted for various purposes, the largest being for planned capital projects in the future.
- As of the end of the current fiscal year, the City's proprietary fund, called the Utility fund, reported ending net position of \$37.4 million. Approximately 23.3% of this total amount, \$8.7 million, is in unrestricted net position.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is 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) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements**

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

The Statement of Net Position presents information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the 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 in this statement 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**

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

- **Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 maintains two (2) major governmental funds, and thirty (30) nonmajor governmental funds. Information for the major funds (General Fund and General Interest & Sinking Fund) is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances. Data from the nonmajor governmental funds are combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

- **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.

## **Notes to the Financial Statements**

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

## **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 earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$99.0 million at the close of the most recent fiscal year.

The largest portion of the City's net position, \$75,479,652, 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.

The City's total net position increased \$4.2 million or 4.51% from last fiscal year's net position. The increase was due to an increase in capital assets within both governmental and business-type activities. Additionally, the City's water and sewer sales, and sales tax and property tax revenues increased.

During fiscal year 2024, the City continued its plan to fund upcoming capital projects related to current and expected growth with debt issuances of \$53.5 million in certificates of obligation and \$3.9 million in tax notes. The debt issuance primarily accounts for the increase in current assets from the prior year and the correlating increase in total liabilities during the current year.

The City's current net position, along with last fiscal year's numbers, are presented for comparison in the following table.

<b>CITY OF DENISON'S NET POSITION</b>						
	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$39,211,829	\$44,239,311	\$48,608,549	\$51,674,411	\$87,820,378	\$95,913,722
Capital assets	<u>86,166,951</u>	<u>75,074,045</u>	<u>168,314,663</u>	<u>111,972,065</u>	<u>254,481,614</u>	<u>187,046,110</u>
Total assets	<u>125,378,780</u>	<u>119,313,356</u>	<u>216,923,212</u>	<u>163,646,476</u>	<u>342,301,992</u>	<u>282,959,832</u>
Deferred outflows of resource	<u>7,325,404</u>	<u>7,905,121</u>	<u>945,944</u>	<u>1,496,788</u>	<u>8,271,348</u>	<u>9,401,909</u>
Long-term liabilities	59,593,316	55,014,974	162,651,754	111,966,135	222,245,070	166,981,109
Other liabilities	<u>11,465,796</u>	<u>11,449,768</u>	<u>17,719,822</u>	<u>19,506,014</u>	<u>29,185,618</u>	<u>30,955,782</u>
Total liabilities	<u>71,059,112</u>	<u>66,464,742</u>	<u>180,371,576</u>	<u>131,472,149</u>	<u>251,430,688</u>	<u>197,936,891</u>
Deferred inflows of resources	<u>490,629</u>	<u>123,802</u>	<u>97,243</u>	-	<u>587,872</u>	<u>123,802</u>
Net investment in capital ass	47,347,415	44,569,881	28,132,237	28,828,601	75,479,652	73,398,482
Restricted	7,577,162	7,587,649	527,677	-	8,104,839	7,587,649
Unrestricted	<u>6,229,866</u>	<u>8,472,403</u>	<u>8,740,423</u>	<u>4,842,514</u>	<u>14,970,289</u>	<u>13,314,917</u>
Total net position	<u>\$61,154,443</u>	<u>\$60,629,933</u>	<u>\$37,400,337</u>	<u>\$33,671,115</u>	<u>\$98,554,780</u>	<u>\$94,301,048</u>

A portion of the City's net position, \$7.8 million, represents resources that are subject to external restrictions on how they may be used. At the end of the current fiscal year, all categories of net position were positive.

The City's condensed changes in net position, along with last fiscal year's numbers, are presented for comparison in the following table.

<b>CITY OF DENISON'S CHANGES IN NET POSITION</b>						
	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 12,094,004	\$ 12,587,840	\$ 22,059,398	\$ 18,968,067	\$ 34,153,402	\$ 31,555,907
Operating grants and contribut	2,095,631	1,525,739	205,025	204,482	2,300,656	1,730,221
Capital grants and contribution:	-	19,192	129,784	-	129,784	19,192
General revenues:						
Property taxes	20,817,602	16,696,399	-	-	20,817,602	16,696,399
Sales taxes	8,359,220	8,140,375	-	-	8,359,220	8,140,375
Franchise and local taxes	3,241,492	2,757,728	-	-	3,241,492	2,757,728
Investment income (losses)	1,810,711	1,257,389	1,707,707	2,068,107	3,518,418	3,325,496
Sale of capital assets	219,955	-	64,243	-	284,198	-
Miscellaneous	271,234	795,431	101,182	-	372,416	795,431
Contributions from component i	477,737	-	-	-	477,737	-
<b>Total revenues</b>	<u>49,387,586</u>	<u>43,780,093</u>	<u>24,267,339</u>	<u>21,240,656</u>	<u>73,654,925</u>	<u>65,020,749</u>
<b>Expenses</b>						
General government	12,905,082	9,116,744	-	-	12,905,082	9,116,744
Public safety	19,658,151	17,421,835	-	-	19,658,151	17,421,835
Community services	7,832,838	6,748,665	-	-	7,832,838	6,748,665
Public works	8,505,508	7,400,109	-	-	8,505,508	7,400,109
Interest and fiscal charges	1,225,879	1,174,944	-	3,577,361	1,225,879	4,752,305
Water and sewer service	-	-	19,273,735	11,589,981	19,273,735	11,589,981
<b>Total expenses</b>	<u>50,127,458</u>	<u>41,862,297</u>	<u>19,273,735</u>	<u>15,167,342</u>	<u>69,401,193</u>	<u>57,029,639</u>
Increases (decreases) in net position						
before transfers	(739,872)	1,917,796	4,993,604	6,073,314	4,253,732	7,991,110
Transfers	<u>1,264,382</u>	<u>3,022,404</u>	<u>(1,264,382)</u>	<u>(3,022,404)</u>	<u>-</u>	<u>-</u>
<b>Change in net position</b>	524,510	4,940,200	3,729,222	3,050,910	4,253,732	7,991,110
Net position, beginning	<u>60,629,933</u>	<u>55,689,733</u>	<u>33,671,115</u>	<u>30,620,205</u>	<u>94,301,048</u>	<u>86,309,938</u>
<b>Net position, ending</b>	<u>\$ 61,154,443</u>	<u>\$ 60,629,933</u>	<u>\$ 37,400,337</u>	<u>\$ 33,671,115</u>	<u>\$ 98,554,780</u>	<u>\$ 94,301,048</u>

### Governmental Activities

Governmental activities increased the City's net position by \$524,510 due to a decrease in deferred outflows from the economic and demographic experience of the pension plan and an increase in deferred inflows related to the plan's investment earnings. Additional factors attributing to the increase compared to the prior year include sales tax growth of 2.6% or \$.22 million and general property tax growth of 20% or \$4.1 million due to increased delinquency collections and valuations to the tax roll. Expenses in governmental activities were higher than the prior year primarily due to an increase in general government expenses of \$3.8 million or 29.4% and an increase in public safety expenses of \$2.2 million or 11.4%. Operating grants and contributions were higher compared to the prior year due to an increase in grants, which were up \$.56 million in fiscal year 2024. Franchise taxes were also up \$0.48 million in fiscal year 2024.

### Business-type Activities

Results for the current fiscal year in the City's business-type activities increased the City's net position by \$3.7 million, with operations similar to the prior year. Net position from Utility activities for fiscal year 2024 increased \$3.1 million, primarily due to a decrease in deferred outflows due to the economic and demographic experience of the pension plan and an increase in deferred inflows related to the plan's investment earnings, and an increase in water and sewers sales as well as water and sewer impact fees.

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

As noted earlier, the City of Denison uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

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

On September 30, 2024, the City's governmental funds reported combined fund balances of \$29.0 million, which is \$3.3 million less than the prior year due to an increase of planned capital spending. Approximately 37.7% of the governmental fund balances, or \$10.9 million, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is: 1) not in spendable form (\$0.15 million), 2) committed for particular purposes (\$1.3 million), 3) restricted for particular purposes (\$16.3 million), or 4) assigned for particular purposes (\$0.3 million).

The General Fund is the chief operating fund of the City of Denison. At the end of the fiscal year, unassigned fund balance of the general fund was \$10.9 million. Total fund balance decreased by \$0.4 million from the prior fiscal year to \$12.0 million, primarily due to better-than-expected investment income performance. Expenditures were higher than the prior year primarily due to an increase in public safety expenditures of \$2.2 million or 12.8%. Unassigned fund balance represents approximately 23.4% of total general fund expenditures, which is about the same percentage as total fund balance to expenditures.

The General Interest & Sinking Fund, a major fund, ended the year at a fund balance of \$3.0 million. General property taxes of \$2.4 million were allocated to this fund to cover principal and interest payments of approximately \$3.5 million.

The remaining governmental funds ended the year with a fund balance of \$14.0 million, a decrease of \$3.8 million from the prior year, due to an increase of capital outlay expenditures of \$6.4 million.

### **Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City has one proprietary fund, the Utility Fund.

Unrestricted net position of the Utility Fund at the end of the year was \$8.7 million and had increased by \$3.7 million primarily due to an increase in deferred outflows and a decrease in deferred inflows in the city's pension plan and an increase in water and sewer sales and impact fees.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

### **Original budget compared to final budget**

The original budget was amended by the City Council during fiscal year 2024, decreasing revenues by \$4.6 million and increasing expenditures by \$1.6 million primarily related to property tax revenue collected as delinquent and increased expenses related to fleet vehicle repairs, well repairs, additional capital expenses and personnel costs. There was a positive budget surplus of \$0.46 million in the general fund. The size of the budget amendment reflected the change the City experienced during fiscal year 2024 as well as increased costs due to economic factors.

## CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$47,347,415 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 \$28,132,237 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Emergency waterline repairs to Main St & Chandler totaling \$1,800,995.
- Building Improvements to the Dean Rylant Water Plant totaling \$1,581,153.
- Purchased a Vector truck for \$619,286.
- Made improvements to Rusk St Water Line totaling \$601,851.
- Made improvements to Dean Rylant Clarifier 1 totaling \$550,738.
- Purchased two refuse trucks for \$608,515.
- Purchased two excavators for \$381,728.
- Purchased Leeboy 7000C Asphalt Paver for \$164,475.
- Purchased seven Scag mowers for \$92,423.
- Made improvements to return pump station for \$131,617.
- Made improvements to primary and secondary wastewater plant clarifiers totaling \$124,500.
- Purchased cascade system for fire department totaling \$85,997.
- Purchased three tractor loaders for \$377,327.
- Purchased a Mack brush truck for \$224,494.
- Purchased two dump trucks for \$398,036.
- Purchased a crane truck for \$179,999.
- Replaced and integrated a belt press at PawPaw Wastewater Plant for \$156,329.
- Made improvements to the High Service Variable Frequency Drive totaling \$215,438.
- Purchased Mack truck with Galbreath Hoist for \$217,288.
- Purchased Generac Generator for \$117,809.
- Made improvements to 691 and Texoma Parkway Sewer Line totaling \$77,184.
- Purchased two Bobcat Compact Tractors for \$76,063.
- Purchased a Godwin Dri-Prime Pump for \$48,898.
- Purchased ninety-five roll off dumpsters for \$89,324.
- Purchased a Vacuum Trailer for \$61,076.

Current and prior year capital asset balances include the following:

	<b>CITY OF DENISON'S CAPITAL ASSETS, NET OF DEPRECIATION</b>					
	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 5,244,380	\$ 5,244,380	\$ 543,719	\$ 543,719	\$ 5,788,099	\$ 5,788,099
Construction in progress	25,042,601	13,825,271	100,691,628	48,970,894	125,734,229	62,796,165
Buildings and improvements	23,793,557	24,533,210	17,089,469	16,097,588	40,883,026	40,630,798
Infrastructure	16,724,057	17,188,465	38,908,056	36,596,309	55,632,113	53,784,774
Equipment	12,718,425	11,562,367	10,281,167	8,908,958	22,999,592	20,471,325
Right of Use - Leases	2,643,931	2,713,552	800,623	797,574	3,444,554	3,511,126
Right of Use - SBITAs	-	6,800	-	25,755	-	32,555
Total capital assets	<u>\$ 86,166,951</u>	<u>\$ 75,074,045</u>	<u>\$ 168,314,662</u>	<u>\$ 111,940,797</u>	<u>\$ 254,481,613</u>	<u>\$ 187,014,842</u>

**DEBT ADMINISTRATION**

At the end of the current year, the City had total bonds, notes payable, and other long-term debt outstanding of \$162,995,134. During the year, the City entered into multiple lease and financed purchase agreements totaling \$4,737,975 for governmental activities and \$1,680,193 for business-type activities. Additionally, the City issued a 2024 Tax Note for \$3,860,000 within governmental activities, and issued \$53,450,000 of Series 2024 Combination Tax and Limited Surplus Revenue Certificates of Obligation, which is split between governmental and business-type activities.

**CITY OF DENISON'S OUSTANDING DEBT**

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Certificates of obligator	\$ 31,972,900	\$ 32,705,022	\$ 148,032,100	\$ 99,709,983	\$ 180,005,000	\$ 132,415,005
General obligation bonds	342,000	672,600	3,783,000	4,652,400	4,125,000	5,325,000
Premiums	2,186,787	2,240,596	12,179,652	9,123,970	14,366,439	11,364,566
Tax notes	3,860,000	-	-	-	3,860,000	-
Notes payable	361,000	536,000	-	-	361,000	536,000
Financed Purchases	6,826,487	5,004,188	1,480,323	234,989	8,306,810	5,239,177
Leases	3,163,315	2,420,297	790,760	759,042	3,954,075	3,179,339
SBITA	-	18,586	-	55,759	-	74,345
Compensated absences	4,772,274	4,382,102	532,072	479,600	5,304,346	4,861,702
	<u>\$ 53,484,763</u>	<u>\$ 47,979,391</u>	<u>\$ 166,797,907</u>	<u>\$ 115,015,743</u>	<u>\$ 220,282,670</u>	<u>\$ 162,995,134</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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.

The following known factors were considered in preparing the City's operating budget for fiscal year 2024-2025:

- This budget will raise more revenue from total property taxes than last year's budget by an amount of \$1,748,437 (15.3% increase). The property tax revenue to be raised from new property added to the tax roll this year is \$953,097.
- The adopted property tax rate for fiscal year 2024-2025 has remained at \$0.712034 per \$100 valuation.
- Sales tax receipts were up in fiscal year 2024, and we expect an increase in fiscal year 2025 as well.

**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.

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**BASIC  
FINANCIAL STATEMENTS**

**CITY OF DENISON, TEXAS**

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Governmental Activities	Business-type Activities	Total	Component Unit
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 740,858	\$ 3,037,705	\$ 3,778,563	\$ 5,884,671
Investments	5,448,194	11,218,791	16,666,985	245,451
Restricted assets - cash	23,587,804	30,553,583	54,141,387	16,150
Restricted assets - investments	-	-	-	810,642
Receivables, net	9,087,659	3,575,706	12,663,365	521,138
Internal balances	(66,213)	66,213	-	-
Notes receivable - current	-	-	-	148,307
Intergovernmental receivable	-	-	-	440,649
Inventory	125,065	156,551	281,616	-
Prepays	34,819	-	34,819	18,333
Interest in net position of recipient organization	253,643	-	253,643	-
Total current assets	<u>39,211,829</u>	<u>48,608,549</u>	<u>87,820,378</u>	<u>8,085,341</u>
Noncurrent assets:				
Notes receivable - long-term	-	-	-	987,651
Capital assets:				
Non-depreciable assets	30,286,981	101,235,347	131,522,328	7,143,912
Net depreciable capital assets	55,879,970	67,079,316	122,959,286	401,950
Total noncurrent assets	<u>86,166,951</u>	<u>168,314,663</u>	<u>254,481,614</u>	<u>8,533,513</u>
Total assets	<u>125,378,780</u>	<u>216,923,212</u>	<u>342,301,992</u>	<u>16,618,854</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension outflows - TMRS	2,918,031	945,944	3,863,975	-
Pension outflows - firefighters	4,407,373	-	4,407,373	-
Total deferred outflows of resources	<u>7,325,404</u>	<u>945,944</u>	<u>8,271,348</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,331,233	6,581,282	7,912,515	79,254
Accrued wages payable	1,025,180	180,941	1,206,121	15,186
Retainage payable	1,019,426	3,545,406	4,564,832	-
Escrow payable	-	-	-	16,150
Due to other governments	173,569	-	173,569	-
Accrued interest payable	147,770	917,811	1,065,581	295,245
Unearned revenue	144,705	-	144,705	-
Customer deposits	15,000	733,912	748,912	-

The accompanying notes are an integral part of these financial statements.

**CITY OF DENISON, TEXAS**

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Unit</u>
<b>LIABILITIES (continued)</b>				
Noncurrent liabilities:				
Due within one year:				
Compensated absences	\$ 1,193,069	\$ 133,018	\$ 1,326,087	\$ 8,479
Intergovernmental payable	440,649	-	440,649	-
Long-term debt	5,975,195	5,627,452	11,602,647	359,845
Due in more than one year:				
Net pension liability - TMRS	3,471,918	1,125,500	4,597,418	-
Net pension liability - firefighters	9,804,899	-	9,804,899	-
Arbitrage	-	488,817	488,817	-
Compensated absences	3,579,205	399,054	3,978,259	76,311
Long-term debt	<u>42,737,294</u>	<u>160,638,383</u>	<u>203,375,677</u>	<u>4,165,000</u>
Total liabilities	<u>71,059,112</u>	<u>180,371,576</u>	<u>251,430,688</u>	<u>5,015,470</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension outflows - TMRS	299,973	97,243	397,216	-
Pension outflows - firefighters	<u>190,656</u>	<u>-</u>	<u>190,656</u>	<u>-</u>
Total deferred inflows of resources	<u>490,629</u>	<u>97,243</u>	<u>587,872</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	47,347,415	28,132,237	75,479,652	3,021,017
Restricted for:				
Debt service	3,093,866	225,112	3,318,978	13,354
Capital projects	-	302,565	-	-
Municipal court	103,067	-	103,067	-
Public safety	553,356	-	553,356	-
Community services	3,488,981	-	3,488,981	-
Federal and state relief grants	337,892	-	337,892	-
Unrestricted	<u>6,229,866</u>	<u>8,740,423</u>	<u>14,970,289</u>	<u>8,569,013</u>
Total net position	<u>\$ 61,154,443</u>	<u>\$ 37,400,337</u>	<u>\$ 98,554,780</u>	<u>\$ 11,603,384</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF DENISON, TEXAS**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 12,905,082	\$ 41,211	\$ 3,625	\$ -
Public safety	19,658,151	2,550,274	195,074	-
Community services	7,832,838	715,411	1,311,411	-
Public works	8,505,508	8,787,108	585,521	-
Interest and fiscal charges	1,225,879	-	-	-
Total governmental activities	<u>50,127,458</u>	<u>12,094,004</u>	<u>2,095,631</u>	<u>-</u>
<b>Business-type activities:</b>				
Water and sewer service	<u>19,273,735</u>	<u>22,059,398</u>	<u>205,025</u>	<u>129,784</u>
Total business-type activities	<u>19,273,735</u>	<u>22,059,398</u>	<u>205,025</u>	<u>129,784</u>
Total primary government	<u>\$ 69,401,193</u>	<u>\$ 34,153,402</u>	<u>\$ 2,300,656</u>	<u>\$ 129,784</u>
<b>Component unit:</b>				
Denison Business Industrial Corporation	\$ 5,613,146	\$ 13,325	\$ 42,090	\$ -
Denison Public Library Endowment Fund	63,700	-	10,597	-
Denison Community Investment Corporation	<u>15,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total component unit	<u>\$ 5,691,946</u>	<u>\$ 13,325</u>	<u>\$ 52,687</u>	<u>\$ -</u>

General revenues:  
 Property tax  
 Sales Tax  
 Franchise and local taxes  
 Investment income (losses)  
 Sale of capital assets  
 Miscellaneous  
 Contributions from component unit  
 Transfers  
 Total general revenues and transfer:  
  
 Change in net position  
  
 Net position, beginning  
  
 Net position, ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Change in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (12,860,246)	\$ -	\$ (12,860,246)	\$ -
(16,912,803)	-	(16,912,803)	-
(5,806,016)	-	(5,806,016)	-
867,121	-	867,121	-
<u>(1,225,879)</u>	<u>-</u>	<u>(1,225,879)</u>	<u>-</u>
<u>(35,937,823)</u>	<u>-</u>	<u>(35,937,823)</u>	<u>-</u>
<u>-</u>	<u>3,120,472</u>	<u>3,120,472</u>	<u>-</u>
<u>-</u>	<u>3,120,472</u>	<u>3,120,472</u>	<u>-</u>
<u>(35,937,823)</u>	<u>3,120,472</u>	<u>(32,817,351)</u>	<u>-</u>
-	-	-	(5,557,731)
-	-	-	(53,103)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,100)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,625,934)</u>
\$ 20,817,602	\$ -	\$ 20,817,602	\$ -
8,359,220	-	8,359,220	2,786,407
3,241,492	-	3,241,492	-
1,810,711	1,707,707	3,518,418	567,835
219,955	64,243	284,198	182,413
271,234	101,182	372,416	1,658
477,737	-	477,737	454,990
<u>1,264,382</u>	<u>(1,264,382)</u>	<u>-</u>	<u>-</u>
<u>36,462,333</u>	<u>608,750</u>	<u>37,071,083</u>	<u>3,993,303</u>
<u>524,510</u>	<u>3,729,222</u>	<u>4,253,732</u>	<u>(1,632,631)</u>
<u>60,629,933</u>	<u>33,671,115</u>	<u>94,301,048</u>	<u>13,236,015</u>
\$ 61,154,443	\$ 37,400,337	\$ 98,554,780	\$ 11,603,384

**CITY OF DENISON, TEXAS**

BALANCE SHEET  
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	General	General Interest & Sinking	Nonmajor Governmental Funds	Total Governmental
	<u>General</u>	<u>&amp; Sinking</u>	<u>Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 740,858	\$ -	\$ -	\$ 740,858
Investments	4,226,052	-	1,222,142	5,448,194
Restricted assets - cash	6,307,322	2,978,699	14,301,783	23,587,804
Receivables, net	3,581,523	4,545,167	960,969	9,087,659
Due from other funds	2,327	-	-	2,327
Inventory	125,065	-	-	125,065
Prepays	34,819	-	-	34,819
Interest in net position of recipient organization	-	-	253,643	253,643
Total assets	<u>\$ 15,017,966</u>	<u>\$ 7,523,866</u>	<u>\$ 16,738,537</u>	<u>\$ 39,280,369</u>
<b>LIABILITIES</b>				
Accounts payable	712,390	-	618,843	1,331,233
Retainage payable	-	-	1,019,426	1,019,426
Accrued wages payable	1,025,180	-	-	1,025,180
Due to other governments	173,569	-	-	173,569
Customer deposits	-	-	15,000	15,000
Unearned revenue	-	-	144,705	144,705
Due to other funds	-	-	68,540	68,540
Total liabilities	<u>1,911,139</u>	<u>-</u>	<u>1,866,514</u>	<u>3,777,653</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	741,154	116,058	-	857,212
Unavailable revenue - fines and forfeitures	81,823	-	-	81,823
Unavailable revenue - intergovernmental	-	-	793,519	793,519
Unavailable revenue - notes	-	4,430,000	-	4,430,000
Unavailable revenue - EMS	275,035	-	-	275,035
Total deferred inflows of resources	<u>1,098,012</u>	<u>4,546,058</u>	<u>793,519</u>	<u>6,437,589</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventory	125,065	-	-	125,065
Prepays	34,819	-	-	34,819
Restricted for:				
Debt service	-	2,977,808	-	2,977,808
Capital improvements	611,438	-	9,281,515	9,892,953
Municipal court	-	-	103,067	103,067
Public safety	-	-	278,321	278,321
Community services	-	-	2,695,462	2,695,462
Federal and state relief grants	-	-	337,892	337,892
Committed to:				
Parks	-	-	1,086,418	1,086,418
Contingency	198,407	-	-	198,407
General Government	-	-	33,730	33,730
Capital projects	-	-	10,783	10,783
Assigned for:				
Subsequent year's budget	71,202	-	-	71,202
Capital projects	-	-	253,643	253,643
Unassigned	10,967,884	-	(2,327)	10,965,557
Total fund balance	<u>12,008,815</u>	<u>2,977,808</u>	<u>14,078,504</u>	<u>29,065,127</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,017,966</u>	<u>\$ 7,523,866</u>	<u>\$ 16,738,537</u>	<u>\$ 39,280,369</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF DENISON, TEXAS**

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

SEPTEMBER 30, 2024

Total fund balances - governmental funds	\$	29,065,127
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		30,286,981
Capital assets - net depreciable		55,879,970
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		2,918,031
Pension outflows - firefighter's pension fund		4,407,373
Pension inflows - TMRS		(299,973)
Pension inflows - firefighter's pension fund		(190,656)
Revenues earned but not available at year end are not recognized on the fund statements. These items include:		
Property taxes		857,212
Municipal court fines		81,823
Ambulance fees		275,035
Notes receivable		4,430,000
Intergovernmental receivable		793,519
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(147,770)
Compensated absences		(4,772,274)
Intergovernmental payable - BICD		(440,649)
Bond premium		(2,186,787)
Bonds, notes and other payables		(46,525,702)
Net pension liability - TMRS		(3,471,918)
Net pension liability - firefighter's pension fund		<u>(9,804,899)</u>
Net position of governmental activities	\$	<u>61,154,443</u>

**CITY OF DENISON, TEXAS**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>General</u>	<u>General Interest &amp; Sinking</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes:				
Property tax	\$ 15,751,019	\$ 2,447,581	\$ 2,453,470	\$ 20,652,070
Sales tax	8,359,220	-	-	8,359,220
Franchise and local taxes	2,227,677	-	1,013,815	3,241,492
Licenses and permits	1,070,384	-	-	1,070,384
Intergovernmental	955,491	353,944	1,739,007	3,048,442
Charges for services	10,527,469	-	823,303	11,350,772
Fines and forfeitures	409,566	-	31,124	440,690
Investment income (loss)	622,490	164,814	1,023,407	1,810,711
Contributions and onations	149,075	-	2,902	151,977
Miscellaneous	<u>188,019</u>	<u>-</u>	<u>83,215</u>	<u>271,234</u>
Total revenues	<u>40,260,410</u>	<u>2,966,339</u>	<u>7,170,243</u>	<u>50,396,992</u>
<b>EXPENDITURES</b>				
Current:				
General government	10,127,744	-	2,190,716	12,318,460
Public safety	16,694,619	-	128,211	16,822,830
Community services	5,355,935	-	973,276	6,329,211
Public works	7,914,120	-	277,180	8,191,300
Capital outlay	4,315,076	-	11,457,306	15,772,382
Debt service:				
Principal	2,108,966	2,507,722	175,000	4,791,688
Interest and fiscal charges	280,188	1,000,719	14,776	1,295,683
Bond issuance costs	<u>-</u>	<u>14,170</u>	<u>66,709</u>	<u>80,879</u>
Total expenditures	<u>46,796,648</u>	<u>3,522,611</u>	<u>15,283,174</u>	<u>65,602,433</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(6,536,238)</u>	<u>(556,272)</u>	<u>(8,112,931)</u>	<u>(15,205,441)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,274,379	1,500,979	1,615,704	6,391,062
Transfers out	(2,360,480)	(97,878)	(2,668,322)	(5,126,680)
Bond issuance	-	-	5,305,000	5,305,000
Premium on issuance	-	-	100,692	100,692
Issuance of lease	1,671,633	-	-	1,671,633
Issuance of financed purchase	3,066,342	-	-	3,066,342
Insurance recovery	229,338	-	-	229,338
Sale of capital assets	<u>219,955</u>	<u>-</u>	<u>-</u>	<u>219,955</u>
Total other financing sources (uses)	<u>6,101,167</u>	<u>1,403,101</u>	<u>4,353,074</u>	<u>11,857,342</u>
<b>NET CHANGE IN FUND BALANCES</b>	(435,071)	846,829	(3,759,857)	(3,348,099)
<b>FUND BALANCES, BEGINNING</b>	<u>12,443,886</u>	<u>2,130,979</u>	<u>17,838,361</u>	<u>32,413,226</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 12,008,815</u>	<u>\$ 2,977,808</u>	<u>\$ 14,078,504</u>	<u>\$ 29,065,127</u>

The accompanying notes are an integral part of these 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, 2024

Total net change in fund balance - governmental funds \$ (3,348,099)

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

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

Capital outlay	14,971,964
Depreciation expense	(4,412,639)
Net effect of capital asset transfers and disposals	615,859

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

Property taxes	165,532
Municipal court fines	12,983
Ambulance fees	(359,357)
Notes receivable	(255,000)
Intergovernmental receivable	(793,519)

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	(390,172)
Pension expense - TMRS	433,115
Pension expense - Firefighter's pension	(1,440,061)
Intergovernmental payable	525,200
Accrued interest	(3,818)

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. 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 the 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	154,501
Issuance of bonds	(5,405,692)
Issuance of financed purchases	(3,066,342)
Issuance of leases	(1,671,633)
Principal payments and adjustments	<u>4,791,688</u>

Change in net position of governmental activities \$ 524,510

**CITY OF DENISON, TEXAS**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

SEPTEMBER 30, 2024

	Utility Fund
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 3,037,705
Investments	11,218,791
Receivables, net	3,575,706
Due from other funds	66,213
Inventory	156,551
Restricted assets - cash	<u>30,553,583</u>
Total current assets	<u>48,608,549</u>
Noncurrent assets:	
Capital assets:	
Non-depreciable assets	101,235,347
Net depreciable capital assets	<u>67,079,316</u>
Total noncurrent assets	<u>168,314,663</u>
Total assets	<u>216,923,212</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension outflows - TMRS	<u>945,944</u>
Total deferred outflows of resources	<u>945,944</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	6,581,282
Accrued wages payable	180,941
Retainage payable	3,545,406
Customers' deposits	733,912
Accrued interest	917,811
Due within one year:	
Compensated absences	133,018
Long-term debt	<u>5,627,452</u>
Total current liabilities	<u>17,719,822</u>
Noncurrent liabilities:	
Due in more than one year:	
Arbitrage	488,817
Compensated absences	399,054
Long-term debt	160,638,383
Net pension liability	<u>1,125,500</u>
Total long-term liabilities	<u>162,651,754</u>
Total liabilities	<u>180,371,576</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension inflows - TMRS	<u>97,243</u>
Total deferred inflows of resources	<u>97,243</u>
<b>NET POSITION</b>	
Net investment in capital assets	28,132,237
Restricted for:	
Debt service	225,112
Capital projects	302,565
Unrestricted	<u>8,740,423</u>
Total net position	<u>\$ 37,400,337</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Utility Fund
<b>OPERATING REVENUES</b>	
Charges for services	\$ 22,059,398
Miscellaneous	<u>101,182</u>
Total operating revenues	<u>22,160,580</u>
<b>OPERATING EXPENSES</b>	
Personnel services	5,445,623
Supplies and materials	2,803,620
Contractual services	2,512,623
Repair and maintenance	1,302,520
Depreciation	<u>2,057,086</u>
Total operating expenses	<u>14,121,472</u>
<b>OPERATING INCOME (LOSS)</b>	<u>8,039,108</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Intergovernmental	205,025
Investment income	1,707,707
Gain (loss) on sale of capital asset	64,243
Capital contributions	129,784
Bond issuance expense	(567,435)
Capital contribution expense	(292,720)
Interest expense	<u>(4,292,108)</u>
Total nonoperating revenues (expenses)	<u>(3,045,504)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>4,993,604</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>	
Transfers in	97,878
Transfers out	<u>(1,362,260)</u>
Total contributions and transfers	<u>(1,264,382)</u>
<b>CHANGE IN NET POSITION</b>	3,729,222
<b>NET POSITION, BEGINNING</b>	<u>33,671,115</u>
<b>NET POSITION, ENDING</b>	<u>\$ 37,400,337</u>

**CITY OF DENISON, TEXAS**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Utility Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 21,458,699
Cash paid to suppliers and service providers	(5,444,291)
Payments to employees for salaries and benefits	(10,630,404)
Net cash provided (used) by operating activities	5,384,004
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash received from other governments	205,025
Cash received (paid) from other funds	(1,264,382)
Net cash provided (used) by noncapital financing activities	(1,059,357)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from issuance of long-term debt	55,628,851
Principal repayments on long-term debt	(5,011,183)
Interest and fiscal charges on debt	(4,852,458)
Bond issuance costs	(567,435)
Capital contributions	(292,720)
Acquisition and construction of capital assets	(55,310,143)
Proceeds from sale of capital assets	64,243
Net cash provided (used) by capital and related financing activities	(10,340,845)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	2,196,524
Purchase of investments	(10,816,983)
Net cash provided (used) by investing activities	(8,620,459)
<b>NET INCREASE (DECREASE) IN CASH</b>	(14,636,657)
<b>CASH, BEGINNING</b>	48,227,945
<b>CASH, ENDING</b>	\$ 33,591,288
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income	\$ 8,039,108
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	2,057,086
(Increase) decrease in:	
Accounts receivable	(757,977)
Inventory	4,165
Deferred outflows of resources	550,844
Increase (decrease) in:	
Accounts payable	(4,042,776)
Accrued wages payable	80,845
Customer deposits	56,096
Compensated absences	52,472
Net pension liability	(753,102)
Deferred inflows of resources	97,243
Net cash provided by operating activities	\$ 5,384,004
<b>SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of right-to-use assets	\$ 1,680,193

The accompanying notes are an integral part of these financial statements.

**CITY OF DENISON, TEXAS**

STATEMENT OF NET POSITION  
FIDUCIARY FUNDS

SEPTEMBER 30, 2024

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 102,591
Total assets	<u>102,591</u>
<b>NET POSITION</b>	
Restricted for organizations and other governments	<u>102,591</u>
Total deferred outflows of resources	<u>\$ 102,591</u>

**CITY OF DENISON, TEXAS**

STATEMENT OF CHANGES  
IN FIDUCIARY NET POSITION  
FIDUCIARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Contributions	\$ <u>57,137</u>
Total additions	<u>57,137</u>
<b>DEDUCTIONS</b>	
Intergovernmental	<u>30,098</u>
Total deductions	<u>30,098</u>
<b>CHANGE IN NET POSITION</b>	27,039
<b>NET POSITION, BEGINNING</b>	<u>75,552</u>
<b>NET POSITION, ENDING</b>	<u>\$ 102,591</u>

# CITY OF DENISON, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

### 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. Financial Statement Presentation

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. Financial 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.

#### **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 2024 financials were audited by a separate audit firm, McClanahan & Holmes, LLP.

### 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, 2023. DCIC issues separate financial statements that are available from the DCIC administrative offices located at 123 W. Main, Denison, Texas. In addition, the fiscal year 2023 financials were audited by a separate audit firm, BrooksWatson & Co., PLLC.

### 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 1st through September 30th fiscal year. The fund does not issue separate financial statements.

## **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.

## **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 \$21,579 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. Government-wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the City as a whole) and fund 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 activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (general government, public safety, streets, community services and community development) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property taxes, sales taxes, franchise taxes, intergovernmental revenues, and interest income).

Separate funds-based financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of applicable fund category and for the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a separate column in the applicable fund financial statements.

## **D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are franchise fees and administrative charges between the City's Enterprise Funds and the General Fund and charges of the Internal Service Funds to the City's other operating funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include charges to customers for services, and operating and capital grants and contributions. General revenues include all taxes and internally generated resources.

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 revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as nonoperating in the financial statements.

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

## **E. Fund Types and Major Funds**

### **Governmental Funds**

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The City reports the following major governmental funds:

**General Fund** – reports the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

**General Interest and Sinking Fund** – used to set aside funds for payment of debt services for the City.

### **Proprietary Funds**

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The City reports the following major Enterprise Funds:

**Water and Sewer Fund** – accounts for the provision of water and sewer services to the residents of the City.

### **Other Fund Types**

Additionally, the City reports the following fund type:

**Special Revenue Funds** – account for the proceeds of specific revenue sources that are restricted by law or committed by governing authority for specified purposes, other than debt service or capital projects. They are funded through taxes, grants, or donations.

**Fiduciary Funds** – 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.

## **F. Assets, Liabilities, and Net Position or Equity**

### **Cash 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 direct obligations of the U.S. Government, fully collateralized certificates of deposit and money market accounts, and statewide investment pools.

### **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.

### **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.

### **Inventories**

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.

## 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.

## Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund level balance sheets / statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

## 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.

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.

Assets	Years
Infrastructure	10 - 100
Buildings	50
Building Improvements	20 - 40
Vehicles	5 - 15
Machinery & Equipment	7 - 20
Right to use Equipment	2 - 6

## 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 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.

## **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to / deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for employees, 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.

## **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.

## **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.

## **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.

## **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 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.

### **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.

### **Leases**

Lessee: The City is a lessee for non-cancellable 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 non-cancellable 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.

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.

## **Fund Balances**

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

**Restricted fund balance** - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed fund balance** - These amounts can only be used for specific purposes pursuant to constraints imposed by an ordinance of the City Council - the government's most binding form of commitment. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment.

**Assigned fund balance** - This classification includes amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council authorizes an assignment of fund balance by directing the City Manager to assign the amounts or by delegating the authority to assign the amounts to the City Manager, such as for funds given to the City for a specific charitable purpose. Since no formal City Council action is taken for authorization of an assignment, no additional action is taken for its removal.

**Unassigned fund balance** - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

The City uses restricted amounts first when both restricted and unrestricted fund balance are available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when the expenditures are made.

### **Net Position**

Net position represents the difference between (a) assets and deferred outflows of resources, and (b) liabilities and deferred inflows of resources. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

### **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.

## **II. 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 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, 2024, expenditures exceeded appropriations at the legal level of control as follows:

General Fund:	
Capital Outlay	\$ 789,555
Debt Service	150,981
Tax Increment Reinvestment Zone Fund:	
Capital Outlay	743,648
General Bond Fund:	
Capital Outlay	3,622,293
Debt Service	66,709
Street Improvement Fund:	
Capital Outlay	5,098,778
Special Events Fund:	
General Government	65,757
Community Services	3,750
Denison Public Library Fund:	
General Government	81,344
Federal Forfeitures Fund:	
Public Safety	10,020
Fire Training Fund:	
Public Safety	33
Police Equipment Fund:	
Public Safety	14,817
Municipal Court Security	
Community Services	492
Improvement Fund:	
Public Works	20,754
Federal Relief Fund:	
General Government	791,960
Community Services	264,239
Public Works	256,426

**B. Deficit Fund Equity**

The community development operating fund had a deficit fund balance of \$2,327 as of September 30, 2024. This deficit will be replenished in the subsequent periods.

**III.DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Cash at September 30, 2024, as reported in the Statement of Net Position, consists of the following items:

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity (Days)
<b>Primary government</b>			
Certificates of deposit	\$ 838,342	A3 to AA+	88
Money Market	1,507,530	AA+	N/A
TexStar	14,321,113	AAAm	26
Total primary government	<u>\$ 16,666,985</u>		

**Custodial Credit Risk** is the risk that in the event of a bank failure, the City’s deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. State statutes require that all deposits in financial institutions be 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 fair value of not less than the principal amount of deposits. As of September 30, 2024, the market values of pledged securities and FDIC exceeded bank balances.

**Credit risk** is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. Investing is performed in accordance with the City’s investment policy adopted by the City Council complying with state law and the City charter. 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** for investments 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 possession of an outside party. For direct investments, the City policy provides that investments and investment collateral is held by a third party custodian with whom the City has a current custodial agreement in the City’s name.

**Interest Rate Risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. 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.

**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. Receivables**

Amounts recorded as receivable as of September 30, 2024, for the City’s individual major funds, internal service funds, and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	General Interest & Sinking	Nonmajor Governmental	Utility	Total
Accounts	\$ 1,028,548	\$ -	\$ 52,455	\$ 3,584,241	\$ 4,665,244
Emergency services	1,379,565	-	-	-	1,379,565
Fines	874,748	-	45,637	-	920,385
Intergovernmental	-	-	793,519	-	793,519
Notes	-	4,430,000	-	-	4,430,000
Taxes	<u>2,269,986</u>	<u>120,633</u>	<u>69,611</u>	-	<u>2,460,230</u>
Less: allowance for uncollectibles	<u>(1,971,324)</u>	<u>(5,466)</u>	<u>(253)</u>	<u>(8,535)</u>	<u>(1,985,578)</u>
Net total receivables	<u>\$ 3,581,523</u>	<u>\$ 4,545,167</u>	<u>\$ 960,969</u>	<u>\$ 3,575,706</u>	<u>\$ 12,663,365</u>

**Receivables - BICD**

The accounts receivable of the discretely presented component unit, BICD, represent amounts due from the grant receivable balance of \$440,649, in addition to the sales tax receivable allocated from the City of Denison upon receipt by the City of its payment from the State.

**Notes Receivable**

The City’s discretely presented component unit, Denison Community Investment Corporation (“DCIC”), issues notes receivable to local businesses.

As of December 31, 2023 (the most recently available date), the outstanding note receivable balances were as follows:

Description	Interest Rate	Beginning Balance	Additions	Write-offs/ Collections	Ending Balance	Amounts Due within One Year
Nitia, Inc	4%	\$ 17,890	\$ -	\$ (17,890)	\$ -	\$ -
Parker - Ivahoe Ale House	2%	123,957	-	(2,807)	121,150	11,368
Parker - Ivahoe Ale House (add'l loan)	2%	19,548	-	(19,548)	-	-
Gaytan Restaurants	2%	33,853	-	(12,540)	21,313	12,793
RMJ Likarish - 331 W. Woodard	4%	66,024	-	(11,695)	54,329	12,172
Sport City Café, LLC	4%	74,423	-	(13,017)	61,406	13,545
Bohemian Taco, LLC	4%	77,381	-	(7,985)	69,396	8,310
Railyard Incubator, LLC	5%	314,496	-	(35,942)	278,554	37,593
Likarish Enterprises, Inc	4%	211,282	-	(22,328)	188,954	23,238
Split Window Production, LLC	4%	103,843	-	(10,715)	93,128	11,152
Silvia Rios	4%	90,283	-	(7,958)	82,325	10,559
Denison Chamber of Commerce	3%	17,820	-	(12,810)	5,010	4,220
DECO LLC	4%	-	160,393	-	160,393	3,357
Total notes receivable		<u>\$ 1,150,800</u>	<u>\$ 160,393</u>	<u>\$ (175,235)</u>	<u>\$ 1,135,958</u>	<u>\$ 148,307</u>

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, 2024, the City has a note receivable balance of \$4,430,000 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.

### Capital 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 eighth payment of \$793,519 during the year, leaving a remaining receivable balance of \$793,519.

### C. Interfund Receivables, Payables, and Transfers

The outstanding balances between funds result mainly from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund payables at the end of the fiscal year were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental	\$ 2,327
Utility Fund	Nonmajor Governmental	66,213
Total		<u>\$ 68,540</u>

Interfund transfers made during the fiscal year were as follows:

Transfers Out	Transfers In				Totals
	General	General Interest & Sinking	Nonmajor Governmental	Utility	
General	\$ -	\$ 814,617	\$ 1,545,863	\$ -	\$ 2,360,480
General Interest & Sinking	-	-	-	97,878	97,878
Nonmajor Governmental	1,981,960	686,362	-	-	2,668,322
Utility	<u>1,292,419</u>	<u>-</u>	<u>69,841</u>	<u>-</u>	<u>1,362,260</u>
Total	<u>\$ 3,274,379</u>	<u>\$ 1,500,979</u>	<u>\$ 1,615,704</u>	<u>\$ 97,878</u>	<u>\$ 6,488,940</u>

#### D. Capital Assets

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

##### Primary Government

	Beginning Balance	Increases	Decreases	Reclassifications/ Transfers	Ending Balance
<b>Governmental activities,</b>					
Capital assets, not being depreciated:					
Land	\$ 5,244,380	\$ -	\$ -	\$ -	\$ 5,244,380
Construction in progress	<u>13,825,271</u>	<u>10,430,748</u>	<u>-</u>	<u>786,582</u>	<u>25,042,601</u>
Total assets not being depreciated	<u>19,069,651</u>	<u>10,430,748</u>	<u>-</u>	<u>786,582</u>	<u>30,286,981</u>
Capital assets, being depreciated:					
Buildings and improvements	32,316,119	-	(12,550)	-	32,303,569
Infrastructure	33,760,135	-	-	-	33,760,135
Equipment	23,724,386	2,869,583	(879,580)	-	25,714,389
Right of Use - Leases	3,161,435	1,671,633	(693,550)	-	4,139,518
Right of Use - SBITAs	<u>7,923</u>	<u>-</u>	<u>(7,923)</u>	<u>-</u>	<u>-</u>
Total capital assets being depreciated	<u>92,969,998</u>	<u>4,541,216</u>	<u>(1,593,603)</u>	<u>-</u>	<u>95,917,611</u>
Less accumulated depreciation:					
Buildings and improvements	(7,782,909)	(735,825)	8,722	-	(8,510,012)
Infrastructure	(16,571,670)	(464,408)	-	-	(17,036,078)
Equipment	(12,162,019)	(1,471,152)	637,207	-	(12,995,964)
Right of Use - Leases	(447,883)	(1,741,254)	693,550	-	(1,495,587)
Right of Use - SBITAs	<u>(1,123)</u>	<u>-</u>	<u>1,123</u>	<u>-</u>	<u>-</u>
Total accumulated depreciation	<u>(36,965,604)</u>	<u>(4,412,639)</u>	<u>1,340,602</u>	<u>-</u>	<u>(40,037,641)</u>
Total capital assets being depreciated, net	<u>56,004,394</u>	<u>128,577</u>	<u>(253,001)</u>	<u>-</u>	<u>55,879,970</u>
Governmental activities, capital assets, net	<u>\$ 75,074,045</u>	<u>\$ 10,559,325</u>	<u>\$ (253,001)</u>	<u>\$ 786,582</u>	<u>\$ 86,166,951</u>

	Beginning Balance	Increases	Decreases	Reclassifications/ Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land	\$ 543,719	\$ -	\$ -	\$ -	\$ 543,719
Construction in progress	48,970,894	56,836,038	-	(5,115,304)	100,691,628
Total assets not being depreciated	49,514,613	56,836,038	-	(5,115,304)	101,235,347
Capital assets, being depreciated:					
Buildings and improvements	26,297,689	-	-	1,581,153	27,878,842
Infrastructure	52,627,563	-	-	3,030,767	55,658,330
Equipment	18,158,374	1,555,614	(242,145)	503,384	19,975,227
Right of Use - Leases	902,910	285,930	(193,236)	-	995,604
Right of Use - SBITAs	54,266	-	(54,266)	-	-
Total capital assets being depreciated	98,040,802	1,841,544	(489,647)	5,115,304	104,508,003
Less accumulated depreciation:					
Buildings and improvements	(10,200,101)	(589,272)	-	-	(10,789,373)
Infrastructure	(16,031,254)	(719,020)	-	-	(16,750,274)
Equipment	(9,249,416)	(659,149)	214,505	-	(9,694,060)
Right of Use - Leases	(105,336)	(89,645)	-	-	(194,981)
Right of Use - SBITAs	(28,511)	-	28,511	-	-
Total accumulated depreciation	(35,614,618)	(2,057,086)	243,016	-	(37,428,688)
Total capital assets being depreciated, net	62,426,184	(215,542)	(246,631)	5,115,304	67,079,315
Business-type activities capital assets, net	\$ 111,940,797	\$ 56,620,496	\$ (246,631)	\$ -	\$ 168,314,662

## Component Units

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Component unit</b>				
Capital assets, not being depreciated:				
Land	\$ 1,531,682	\$ 890,304	\$ (529,944)	\$ 1,892,042
Construction in progress	4,487,579	764,291	-	5,251,870
Total assets not being depreciated	6,019,261	1,654,595	(529,944)	7,143,912
Capital assets, being depreciated:				
Buildings and improvements	244,481	69,101	-	313,582
Infrastructure	186,608	-	-	186,608
Machinery and equipment	29,741	25,409	-	55,150
Right to use assets	62,172	-	-	62,172
Total capital assets being depreciated	523,002	94,510	-	617,512
Less accumulated depreciation				
Buildings and improvements	(94,651)	(9,721)	-	(104,372)
Infrastructure	(37,943)	(1,867)	-	(39,810)
Machinery and equipment	(20,028)	(4,723)	-	(24,751)
Right to use assets	(31,086)	(15,543)	-	(46,629)
Total accumulated depreciation	(183,708)	(31,854)	-	(215,562)
Total capital assets being depreciated, net	339,294	62,656	-	401,950
Component unit capital assets, net	\$ 6,358,555	\$ 1,717,251	\$ (529,944)	\$ 7,545,862

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

Governmental activities:	
General government	\$ 702,038
Public safety	1,257,908
Public works	1,550,809
Community services	<u>901,884</u>
Total depreciation expense - governmental activities	<u>\$ 4,412,639</u>
Business-type activities:	
Water	\$ 1,307,329
Sewer	<u>749,757</u>
Total depreciation expense - business-type activities	<u>\$ 2,057,086</u>
Component Units:	
Economic development	\$ <u>31,854</u>
Total depreciation expense - component units	<u>\$ 31,854</u>

### E. Long-Term Liabilities

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.

	Beginning Balance	Additions	Reductions/ Adjustments	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Certificates of obligation	\$ 32,705,022	\$ 1,445,000	\$ 2,177,122	\$ 31,972,900	\$ 2,759,550
General obligation bonds	672,600	-	330,600	342,000	342,000
Premiums	2,240,596	100,692	154,501	2,186,787	-
Tax notes	-	3,860,000	-	3,860,000	480,000
Notes payable	536,000	-	175,000	361,000	178,000
Financed Purchases	5,004,188	3,066,342	1,244,043	6,826,487	1,343,122
Leases	2,420,297	1,671,633	928,615	3,163,315	872,523
SBITA	18,586	-	18,586	-	-
Compensated absences	<u>4,382,102</u>	<u>2,660,890</u>	<u>2,270,718</u>	<u>4,772,274</u>	<u>1,193,069</u>
Total long-term debt	<u>47,979,391</u>	<u>12,804,557</u>	<u>7,299,185</u>	<u>53,484,763</u>	<u>7,168,264</u>
Intergovernmental payable	965,849	-	525,200	440,649	440,649
Net pension liability-TMRS	5,966,971	6,000,880	8,495,933	3,471,918	-
Net pension liability-Fire	<u>7,249,444</u>	<u>5,645,119</u>	<u>3,089,664</u>	<u>9,804,899</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 62,161,655</u>	<u>\$ 24,450,556</u>	<u>\$ 19,409,982</u>	<u>\$ 67,202,229</u>	<u>\$ 7,608,913</u>

	Beginning Balance	Additions	Reductions/ Adjustments	Ending Balance	Due Within One Year
<b>Business-type activities</b>					
Certificates of obligation	\$ 99,709,983	\$ 52,005,000	\$ 3,682,883	\$ 148,032,100	\$ 4,315,450
General obligation bonds	4,652,400	-	869,400	3,783,000	878,000
Premiums	9,123,970	3,623,851	568,169	12,179,652	-
Discounts	(7,819)	-	(7,819)	-	-
Financed Purchases	234,989	1,394,263	148,929	1,480,323	229,654
Leases	759,042	285,930	254,212	790,760	204,348
SBITA	55,759	-	55,759	-	-
Compensated absences	<u>479,600</u>	<u>367,784</u>	<u>315,312</u>	<u>532,072</u>	<u>133,018</u>
Total long-term debt	<u>115,007,924</u>	<u>57,676,828</u>	<u>5,886,845</u>	<u>166,797,907</u>	<u>5,760,470</u>
Arbitrage	-	488,817	-	488,817	-
Net pension liability-TMRS	<u>1,878,602</u>	<u>1,945,320</u>	<u>2,698,422</u>	<u>1,125,500</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 116,886,526</u>	<u>\$ 60,110,965</u>	<u>\$ 8,585,267</u>	<u>\$ 168,412,224</u>	<u>\$ 5,760,470</u>

The City is not currently subject to any legal debt margin requirements. The compensated absences liability in the governmental activities is liquidated by the General Fund.

The revenue bonds are collateralized by the revenue of the combined utility system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used, first, to pay operating and maintenance expenses of the system and, second, to establish and maintain the revenue bond funds.

Bonds and notes outstanding at yearend include:

	Governmental	Business-type	Total
	Activities	Activities	
<b>General Obligation Bonds:</b>			
\$3,442,800 General Oblig. Refunding Bonds, Series 2013, due 2025, interest at 2.75%	\$ 342,000	\$ 108,000	\$ 450,000
\$3,060,000 General Oblig. Refunding Bonds, Series 2019, due 2028, interest at 3% to 5%	-	1,370,000	1,370,000
\$4,045,000 General Oblig. Refunding Bonds, Series 2020, due 2029, interest at 1.81%	-	2,305,000	2,305,000
<b>Total General Obligation Bonds</b>	<u>\$ 342,000</u>	<u>\$ 3,783,000</u>	<u>\$ 4,125,000</u>
<b>Certificates of Obligation:</b>			
\$6,665,000 Comb Tax and Rev. Certs. of Oblig., Series 2012, due 2028, interest at 3%	\$ -	\$ 1,910,000	\$ 1,910,000
\$6,335,000 Comb Tax and Rev. Certs. of Oblig., Series 2015, due 2035, interest at 3-4%	-	4,175,000	4,175,000
\$2,240,000 Comb Tax and Rev. Certs. of Oblig., Series 2013, due 2033, interest at 2.75%	1,180,000	-	1,180,000
\$7,475,000 Comb Tax and Rev. Certs. of Oblig., Series 2016B, due 2026, interest at 1.89%	1,615,000	-	1,615,000
\$1,725,000 Comb Tax and Rev. Certs. of Oblig., Series 2016A, due 2036, interest at 3-5%	-	1,210,000	1,210,000
\$2,855,000 Combination Tax & Lmted. Surplus Rev. Certs. of Oblig., Series 2017B, 2027, interest at 2.16%	925,000	-	925,000
\$2,240,000 Comb Tax and Rev. Certs. of Oblig., Series 2017A, 2037, interest at 3%	2,128,500	-	2,128,500
\$1,000,000 Comb Tax & Lmted. Surplus Rev. Certs. of Oblig., Series 2018A, due 2028, interest at 2.89%	440,000	-	440,000
\$3,925,000 Combination Tax & Rev. Cerificates of Oblig., Series 2017B, 2037, interest at 3%	-	2,821,500	2,821,500
\$7,255,000 Comb Tax & Lmted. Surplus Rev. Certs. of Oblig., Series 2018, due 2038, interest at 3.12% to 5.54%	-	5,625,000	5,625,000
\$5,255,000 Comb Tax & Lmted. Surplus Rev. Certs. of Oblig., Series 2019, due 2039, interest at 3% to 4%	-	4,405,000	4,405,000
\$2,450,000 Comb Tax & Lmted. Surplus Rev. Certs. of Oblig., Series 2020A, due 2030, interest at 1.86%	1,520,000	-	1,520,000
\$6,300,000 Comb Tax and Rev. Certs. of Oblig., Series 2020B, due 2040, interest at 3% to 5%	5,437,400	-	5,437,400
\$3,935,000 Comb Tax and Rev. Certs. of Oblig., Series 2020B, due 2040, interest at 3% to 5%	-	3,332,600	3,332,600
\$11,800,000 Comb. Tax & Rev. Certs. of Oblig., Series 2021B, due 2040, interest at 3% to 4.879%	-	9,330,000	9,330,000
\$15,940,000 Comb. Tax & Rev. Certs. of Oblig., Series 2021A, due 2040, interest at 2% to 5.372%	12,012,000	3,388,000	15,400,000
\$4,600,000 Comb Tax & Lmted. Surplus Rev. Certs. of Oblig., Series 2022B, due 2042, interest	4,330,000	-	4,330,000
\$22,165,000 Comb Tax & Lmted. Surplus Rev. Certs. of Oblig., Series 2022A, due 2042, interest at 3.5% to 5.0%	2,590,000	18,370,000	20,960,000
\$1,140,000 Comb Tax & Lmted. Suprlus Rev. Certs. of Oblig. Series 2022C, due 2032, interest at 4.01%	940,000	-	940,000
\$39,250,000 Comb Tax & Lmted. Surplus Rev. Certs. of Oblig. Series 2023, due 2043, interest at 4% to 5%	-	38,870,000	38,870,000
\$1,445,000 Comb Tax and Lmted. Surplus Rev. Certs. of Oblig. Series 2024, due 2054, interest at 4.25% to 5%	1,445,000	52,005,000	53,450,000
<b>Total Certificates of Obligation:</b>	<u>\$ 34,562,900</u>	<u>\$ 145,442,100</u>	<u>\$ 180,005,000</u>
<b>Notes Payable:</b>			
\$1,550,000 Section 108 HUD loan, due 2026, interest is variable	\$ 361,000	\$ -	\$ 361,000
\$3,860,000 Tax Note Series 2024, due 2031 interest at 4.11%	3,860,000	-	3,860,000
<b>Total Notes Payable</b>	<u>\$ 4,221,000</u>	<u>\$ -</u>	<u>\$ 4,221,000</u>

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

Year ending September 30,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 342,000	\$ 11,970	\$ 878,000	\$ 91,228	\$ 1,220,000	\$ 103,198
2026	-	-	785,000	73,473	785,000	73,473
2027	-	-	810,000	51,025	810,000	51,025
2028	-	-	835,000	27,480	835,000	27,480
2029	-	-	475,000	3,088	475,000	3,088
Total	<u>\$ 342,000</u>	<u>\$ 11,970</u>	<u>\$ 3,783,000</u>	<u>\$ 246,293</u>	<u>\$ 4,125,000</u>	<u>\$ 258,263</u>

During the year, the City issued \$53,450,000 of Series 2024 Combination Tax and Limited Surplus Revenue Certificates of Obligation, which bear an interest rate of 5%, and include a premium on issuance of \$3,724,543. The proceeds from the sale will be used for: (i) constructing, installing, acquiring and equipping additions, extensions and improvements to the City's waterworks and sewer system, and the acquisition of land and interests in land for such projects; (ii) acquiring, constructing, renovating, installing and equipping municipal parks; and (iii) legal, fiscal, design and engineering fees in connection with such projects. These bonds will fully mature by February 2054.

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

Year ending September 30,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 2,759,550	\$ 1,008,994	\$ 4,315,450	\$ 7,292,160	\$ 7,075,000	\$ 8,301,154
2026	2,865,650	907,930	4,499,350	6,198,728	7,365,000	7,106,657
2027	2,112,650	834,003	5,177,350	6,004,953	7,290,000	6,838,956
2028	1,866,000	764,725	5,809,000	5,785,103	7,675,000	6,549,827
2029	1,909,700	695,193	5,565,300	5,525,840	7,475,000	6,221,033
2030-2034	9,109,400	2,434,081	31,865,600	23,581,606	40,975,000	26,015,687
2035-2039	8,187,350	1,047,850	36,057,650	16,223,693	44,245,000	17,271,542
2040-2044	3,162,600	115,454	27,527,400	8,957,194	30,690,000	9,072,648
2045-2049	-	-	12,045,000	4,789,250	12,045,000	4,789,250
2050-2054	-	-	15,170,000	1,666,425	15,170,000	1,666,425
Total	<u>\$ 31,972,900</u>	<u>\$ 7,808,228</u>	<u>\$ 148,032,100</u>	<u>\$ 86,024,950</u>	<u>\$ 180,005,000</u>	<u>\$ 93,833,178</u>

During the year, the City issued \$3,860,000 of Series Tax Note, which bear an interest rate of 4.11%, and was issued at par. The proceeds from the sale will be used for: Acquiring, constructing, improving and equipping a building for a visitor enter and city administrative offices. The note will fully mature by February 2031.

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

Year ending September 30,	Governmental Activities					
	Tax Notes			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 480,000	\$ 154,952	\$ 634,952	\$ 178,000	\$ 10,107	\$ 188,107
2026	505,000	128,540	633,540	183,000	5,234	188,234
2027	530,000	107,271	637,271	-	-	-
2028	550,000	85,077	635,077	-	-	-
2029	575,000	61,958	636,958	-	-	-
2030-2034	<u>1,220,000</u>	<u>50,553</u>	<u>1,270,553</u>	-	-	-
Total	<u>\$ 3,860,000</u>	<u>\$ 588,351</u>	<u>\$ 4,448,351</u>	<u>\$ 361,000</u>	<u>\$ 15,341</u>	<u>\$ 376,341</u>

During the year, the City entered into multiple agreements to finance the purchase of various vehicles and pieces of equipment, which have a present value at issuance of \$4,460,605, and interest rates ranging from 4.04% to 4.98%. The underlying notes will be paid off in full by July 2031.

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

Year ending September 30,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,343,122	\$ 209,705	\$ 229,654	\$ 68,166	\$ 1,572,776	\$ 277,871
2026	1,306,829	199,330	235,440	62,360	1,542,269	261,690
2027	1,047,707	159,519	201,933	52,593	1,249,640	212,112
2028	1,023,132	123,049	182,816	42,789	1,205,948	165,838
2029	949,576	87,076	387,368	33,299	1,336,944	120,375
2030-2033	<u>1,156,121</u>	<u>93,428</u>	<u>243,112</u>	<u>15,124</u>	<u>1,399,233</u>	<u>108,552</u>
Total	<u>\$ 6,826,487</u>	<u>\$ 872,107</u>	<u>\$ 1,480,323</u>	<u>\$ 274,331</u>	<u>\$ 8,306,810</u>	<u>\$ 1,146,438</u>

During the year, the City entered into multiple agreements for the right to use various vehicles and pieces of equipment, which have a present value at issuance of \$1,957,563, and interest rates ranging from 2% to 5%. The underlying notes will be paid off in full by October 2037. The right to use capital assets have an ending balance of \$5,135,122 with accumulated depreciation of \$1,690,568 as of September 30, 2024.

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

Year ending September 30,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 872,523	\$ 125,350	\$ 204,348	\$ 32,655	\$ 1,076,871	\$ 158,005
2026	835,337	86,081	214,140	22,863	1,049,477	108,944
2027	800,191	48,341	220,358	12,578	1,020,549	60,919
2028	503,203	16,951	123,328	3,702	626,531	20,653
2029	<u>152,061</u>	<u>2,411</u>	<u>28,586</u>	<u>486</u>	<u>180,647</u>	<u>2,897</u>
Total	<u>\$ 3,163,315</u>	<u>\$ 279,134</u>	<u>\$ 790,760</u>	<u>\$ 72,284</u>	<u>\$ 3,954,075</u>	<u>\$ 351,418</u>

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, 2024.

**Component unit**

Notes payable	\$ 4,840,000	\$ -	\$ 331,000	\$ 4,509,000	\$ 344,000
Leases	31,475	-	15,630	15,845	15,845
Compensated absences	<u>78,107</u>	<u>21,821</u>	<u>15,138</u>	<u>84,790</u>	<u>8,479</u>
Component unit	<u>\$ 4,949,582</u>	<u>\$ 21,821</u>	<u>\$ 361,768</u>	<u>\$ 4,609,635</u>	<u>\$ 368,324</u>

Below is a summary of Denison Business and Industrial Corporation's notes payable at yearend:

**Notes Payable:**

\$4,850,000 Note payable to the City of Denison, Texas, due 2041, interest at 2.84% to 4.86%	\$ 4,330,000
\$250,000 Note payable to the City of Denison, Texas, due 2025, interest at 3.50% to 4.00%	100,000
\$744,000 loan due 2025, interest at 2.85%	<u>79,000</u>
<b>Total Notes Payable</b>	<b><u>\$ 4,509,000</u></b>

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

Year ending September 30,	Notes Payable		Total
	Principal	Interest	
2025	\$ 344,000	\$ 296,371	\$ 640,371
2026	170,000	183,265	353,265
2027	180,000	177,155	357,155
2028	185,000	170,565	355,565
2029	190,000	163,504	353,504
2030-2034	1,085,000	688,974	1,773,974
2035-2039	1,365,000	409,875	1,774,875
2040-2042	<u>990,000</u>	<u>73,629</u>	<u>1,063,629</u>
Total	<u>\$ 4,509,000</u>	<u>\$ 2,163,338</u>	<u>\$ 6,672,338</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 \$15,845. 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 \$15,543.

Year ending September 30,	Leases		Total
	Principal	Interest	
2025	\$ 15,845	\$ 117	\$ 15,962
Total	\$ 15,845	\$ 117	\$ 15,962

**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.

**F. Defined Benefit Pension Plan**

**Plan Description**

The City of Denison participates as one of 934 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at [tmrs.com](http://tmrs.com).

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

**Benefits Provided**

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

At retirement, the Member’s benefit is calculated based on the sum of the Member’s contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions 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:

	Plan Year 2024
Employee deposit rate	7.0%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	100% repeating, transfers
Annuity increase (to retirees)	30% of CPI repeating

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

Inactive employees or beneficiaries currently receiving benefits	218
Inactive employees entitled to but not yet receiving benefits	224
Active employees	<u>260</u>
Total	<u><u>702</u></u>

### Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the Member’s total compensation, 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 city’s contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 11.11% in calendar years 2023 and 2024, respectively. The City’s contributions to TMRS for the year ended September 30, 2024, were \$1,553,156, and were equal to the required contributions.

### Net Pension Liability

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

#### *Actuarial Assumptions:*

The TPL in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall Payroll Growth	2.75% per year, adjusted down for population declines, if any
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 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-district 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and a 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who became disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, 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 to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighing the expected return for each major asset class by the respective target asset allocation percentage.

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
Total	100.0%	

*Discount Rate:*

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member 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 Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

*Changes in the Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2022	\$ 76,639,374	\$ 68,793,801	\$ 7,845,573
Changes for the year:			
Service cost	2,294,235	-	2,294,235
Interest	5,101,879	-	5,101,879
Difference between expected and actual experience	499,080	-	499,080
Changes of assumptions	(591,772)	-	(591,772)
Contributions - employer	-	1,604,310	(1,604,310)
Contributions - employee	-	1,054,475	(1,054,475)
Net investment income	-	7,943,798	(7,943,798)
Benefit payments, including refunds of employee contributions	(4,406,189)	(4,406,189)	-
Administrative expense	-	(50,652)	50,652
Other changes	-	(354)	354
Net changes	2,897,233	6,145,388	(3,248,155)
Balance at December 31, 2023	\$ 79,536,607	\$ 74,939,189	\$ 4,597,418

*Sensitivity of the NPL to Changes in the Discount Rate*

The following presents the Net Pension Liability of the city, calculated using the discount rate of 6.75%, as well as what the city’s Net Pension Liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net Pension Liability (Asset)	\$ 14,658,196	\$ 4,597,418	\$ (3,708,735)

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan’s Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at trms.com.

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

For the year ended September 30, 2024, the City recognized pension expense of \$1,328,035.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 501,482	\$ 9,504
Change in actuarial assumptions	-	387,713
Difference between projected and actual investment earnings	1,948,714	-
Contributions subsequent to the measurement date	<u>1,413,779</u>	<u>-</u>
Total	<u>\$ 3,863,975</u>	<u>\$ 397,217</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date in the amount of \$1,413,779 will be recognized as a reduction of the NPL for the year ended September 30, 2025 for the City.

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,	Pension Expense
2025	\$ 629,620
2026	597,569
2027	1,485,834
2028	<u>(660,044)</u>
Total	<u>\$ 2,052,979</u>

**G. Denison Firemen’s Relief and Retirement Fund**

**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.

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.

**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 depositing 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 was \$7,250 per month, which was removed effective May 1, 2024.

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.

### 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.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	7
Active employees	<u>60</u>
Total	<u>121</u>

**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 \$943,365, and were equal to the required contributions.

### Net Pension Liability

The city's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of December 31, 2023.

Total pension liability	\$ 31,051,188
Plan fiduciary net position	<u>21,246,289</u>
City's net pension liability	<u>\$ 9,804,899</u>
Plan fiduciary net position as a percentage of the total pension liability	68.4%

## Actuarial Methods and Assumptions

The total pension liability in the December 31, 2023 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	<table><thead><tr><th><u>Age</u></th><th><u>Termination Rate</u></th></tr></thead><tbody><tr><td>25</td><td>4.97%</td></tr><tr><td>35</td><td>2.49%</td></tr><tr><td>45</td><td>0.62%</td></tr><tr><td>55</td><td>0.00%</td></tr></tbody></table>	<u>Age</u>	<u>Termination Rate</u>	25	4.97%	35	2.49%	45	0.62%	55	0.00%
<u>Age</u>	<u>Termination Rate</u>										
25	4.97%										
35	2.49%										
45	0.62%										
55	0.00%										
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: <table><thead><tr><th><u>Age</u></th><th><u>Termination Rate</u></th></tr></thead><tbody><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></tbody></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 7.25%. No projection of cash flows was used to determine the discount rate because the December 31, 2023 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 15 years. Because of the 15-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 7.25% 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 is reviewed for each biennial actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of investment-related expenses and inflation) were developed for each major asset class. These components were combined to produce the long-term expected rate of return by weighing the expected future net real rates of return by a recent asset allocation percentage (resulting in 4.64%) and by adding expected inflation (2.5%). In addition, the final 7.25% assumption was selected by rounding up.

The asset allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Net Real Rate of Return</u>
Equities	68.0%	5.95%
Close-end mutual funds	7.3%	3.50%
Fixed income securities	23.3%	1.45%
Cash	1.4%	0.00%
Total	<u>100%</u>	
Weighted Average		<u>4.64%</u>

*Changes in the Net Pension Liability*

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Pension (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balance at 12/31/2022	\$ 27,322,134	\$ 20,072,690	\$ 7,249,444
Changes for the year:			
Service cost	548,597	-	548,597
Interest	2,019,867	-	2,019,867
Difference between expected and actual experience	79,861	-	79,861
City contributions	-	943,365	(943,365)
Firefighter contributions	-	694,423	(694,423)
Net investment income	-	1,451,876	(1,451,876)
Benefit payments	(1,878,332)	(1,878,332)	-
Administrative expense	-	(37,733)	37,733
Assumption changes	919,126	-	919,126
Change of benefit terms	2,039,935	-	2,039,935
Net changes	<u>3,729,054</u>	<u>1,173,599</u>	<u>2,555,455</u>
Balance at 12/31/2023	<u>\$ 31,051,188</u>	<u>\$ 21,246,289</u>	<u>\$ 9,804,899</u>

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

The following presents the net pension liability of the city, calculated using the discount rate of 7.25%, compared to what the city's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

<u>1% Decrease 6.50%</u>	<u>Current Discount Rate 7.50%</u>	<u>1% Increase 8.50%</u>
\$ 13,981,548	\$ 9,804,899	\$ 6,381,825

*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.

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

For the year ended September 30, 2024, the City recognized pension expense for this plan of \$2,563,042.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and actual earnings on pension plan investments	\$ 2,576,600	\$ -
Changes of assumptions	894,589	90,122
Difference between expected and actual experience	<u>164,754</u>	<u>100,534</u>
Total	<u>\$ 3,635,943</u>	<u>\$ 190,656</u>

The City reported \$164,754 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, 2025.

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,	Pension Expense
2025	\$ 774,300
2026	840,108
2027	1,416,136
2028	156,846
2029	148,218
Thereafter	109,679
Total	<u>\$ 3,445,287</u>

#### **H. 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.

#### **I. Contingent Liabilities**

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

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

#### **J. 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 has accrued an arbitrage liability within business-type activities in the amount of \$488,817, which is fully payable in more than one year.

#### **K. 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 2024 is \$1,030,000. Payments made by the City during the year totaled \$1,216,774.

## 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 \$5,143,750 for closure and \$950,751 for post-closure. The landfill is estimated to be 25.6% full and has an estimated remaining useful life of 55 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 \$292,720 to the Authority in accordance with these contracts. Future payments under these contracts average approximately \$289,532 per year for the next six years.

A summary of the remaining debt service as of September 30, 2024, is as follows:

Year ending September 30,	Principal	Interest	Total
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
2030-2034	255,960	6,348	262,308
Total	<u>\$ 1,600,560</u>	<u>\$ 136,632</u>	<u>\$ 1,737,192</u>

## Construction Commitments

The City has active construction projects as of September 30, 2024. At year end, the City's commitments with contractors are as follows:

### Governmental Funds

<u>Project</u>	<u>Project Budget Appropriation</u>	<u>Construction in Progress (Spent to Date)</u>	<u>Remaining Commitment</u>
CEC Engineering	\$ 51,322	\$ 48,712	\$ 2,610
Chris Lambka and Associates	145,750	31,896	113,854
Garver	104,961	58,834	46,127
Huitt-Zollars	911,350	859,717	51,633
Lynn Vessels Construction	4,742,193	4,041,499	700,694
Piazza Construction	3,728,041	1,426,832	2,301,209
Total Construction in Progress	<u>\$ 9,683,617</u>	<u>\$ 6,467,490</u>	<u>\$ 3,216,127</u>

### Proprietary Funds

<u>Project</u>	<u>Project Budget Appropriation</u>	<u>Construction in Progress (Spent to Date)</u>	<u>Remaining Commitment</u>
Archer Western	\$ 151,403,067	\$ 46,997,487	\$ 104,405,580
Birkhoff, Hendricks, Carter	2,500,000	2,317,211	182,789
Cobb, Fendley & Associates	571,495	525,684	45,811
DDM	9,647,495	9,425,820	221,675
Dickerson Construction Co.	290,961	277,106	13,855
Garver	202,936	76,149	126,787
H&H Electrical Contractors	232,039	223,991	8,048
Hardin & Associates	147,000	73,744	73,256
HydroPro Solutions	177,985	152,177	25,808
Piazza Construction	40,907,631	19,769,838	21,137,793
Plummer & Associates	15,106,429	8,678,395	6,428,034
RJN Group	839,576	812,838	26,738
SYB Construction	13,428,307	12,173,547	1,254,760
Teague Nall Perkins	331,425	160,161	171,264
Total Construction in Progress	<u>\$ 235,786,346</u>	<u>\$ 101,664,148</u>	<u>\$ 134,122,198</u>

## L. 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	2,029,670,000
Gallons Billed	1,461,748,111
Other gallons processed *	6,839,526

\*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.

#### **M. Tax Abatements**

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, 2024:

The general purpose of tax abatements is to stimulate economic growth and development by providing temporary relief from certain taxes. This financial incentive encourages investment, job creation, and the development of underutilized areas. In the long term, the City of Denison's goal is to increase the overall earning power, generate higher sales tax revenues, and improve the standard of living for the community. By fostering a favorable environment for businesses to thrive, tax breaks can lead to a more prosperous and sustainable economic future for the area.

For the fiscal year ending September 30, 2024, Property tax abatements totaled \$160,814.94, Hotel Occupancy tax abatements were \$58,720.16, and Sales tax abatements equaled \$22,035.76.

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.

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.

#### **N. Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are the property of the beneficiary.

The City's deferred compensation plan is administered by a private corporation under contract with the City. Participant contributions totaled \$37,648 for the year ended September 30, 2024.

#### **O. Subsequent Events**

There were no material events through March 17, 2025, the date the financial statements were available to be issued.

**P. New Accounting Standards**

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the City include the following:

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods after June 15, 2024, and the impact has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF DENISON, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS)  
GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Taxes				
Property tax	\$ 16,299,822	\$ 12,764,475	\$ 15,751,019	\$ 2,986,544
Sales tax	8,800,000	8,363,529	8,359,220	(4,309)
Franchise and local taxes	2,684,000	2,210,597	2,227,677	17,080
Licenses and permits	944,025	944,025	1,070,384	126,359
Intergovernmental	685,000	685,000	955,491	270,491
Charges for services	10,438,500	10,395,188	10,527,469	132,281
Fines and forfeitures	450,000	450,000	409,566	(40,434)
Investment income	350,000	350,000	622,490	272,490
Contributions and donations	-	-	149,075	149,075
Miscellaneous	300,000	300,000	188,019	(111,981)
Total revenues	<u>40,951,347</u>	<u>36,462,814</u>	<u>40,260,410</u>	<u>3,797,596</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
City manager and admin.	5,545,483	4,770,001	4,562,802	207,199
Finance	728,782	728,782	706,438	22,344
Human Resources	439,246	439,246	431,130	8,116
Information Technology	1,457,611	1,582,767	1,587,767	(5,000)
Main Street	462,831	462,831	434,439	28,392
Community engagement	185,959	185,959	175,228	10,731
Total general government	<u>8,819,912</u>	<u>8,169,586</u>	<u>7,897,804</u>	<u>271,782</u>
Public safety:				
Fire	8,011,341	8,254,093	8,259,091	(4,998)
Police	7,474,934	7,822,461	7,409,535	412,926
Dispatch	1,147,548	1,147,548	1,082,572	64,976
Total public safety	<u>16,633,823</u>	<u>17,224,102</u>	<u>16,751,198</u>	<u>472,904</u>
Community services:				
Municipal court	289,431	289,431	265,074	24,357
City marshal	139,437	149,401	129,335	20,066
Animal control	346,377	436,846	396,041	40,805
Cemetery	378,616	390,113	478,435	(88,322)
Code enforcement	568,093	609,797	606,415	3,382
Building inspections	557,602	608,484	613,481	(4,997)
Marketing and tourism	463,418	578,330	583,329	(4,999)
Parks and recreation	3,491,077	3,708,092	3,617,243	90,849
Library	1,000,173	1,000,173	981,900	18,273
Total community services	<u>7,234,224</u>	<u>7,770,667</u>	<u>7,671,253</u>	<u>99,414</u>
Public works:				
Demolition/mowing	246,784	246,784	177,441	69,343
Garage	1,776,210	2,750,600	2,755,597	(4,997)
Streets	1,495,506	1,554,644	1,347,549	207,095
Solid waste	3,076,524	3,178,345	3,183,343	(4,998)
Planning	899,043	905,106	654,591	250,515
Building maintenance	414,945	573,677	578,678	(5,001)
Total public works	<u>7,909,012</u>	<u>9,209,156</u>	<u>8,697,199</u>	<u>511,957</u>
Capital outlay	<u>2,511,090</u>	<u>3,525,521</u>	<u>4,315,076</u>	<u>(789,555)</u>

**CITY OF DENISON, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS)  
GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Final Budget Variance
	Original	Final		
<b>EXPENDITURES</b>				
Debt service:				
Principal	\$ 1,176,871	\$ 1,176,871	\$ 1,312,903	\$ (136,032)
Interest	<u>136,266</u>	<u>136,266</u>	<u>151,215</u>	<u>(14,949)</u>
Total debt service	<u>1,313,137</u>	<u>1,313,137</u>	<u>1,464,118</u>	<u>(150,981)</u>
Total expenditures	<u>44,421,198</u>	<u>47,212,169</u>	<u>46,796,648</u>	<u>415,521</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (3,469,851)</u>	<u>\$(10,749,355)</u>	<u>\$ (6,536,238)</u>	<u>\$ 4,213,117</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,794,831	2,794,831	3,274,379	479,548
Transfers out	(1,707,725)	(1,707,725)	(2,360,480)	(652,755)
Issuance of lease	-	-	1,671,633	1,671,633
Issuance of financed purchase	2,218,800	3,116,341	3,066,342	(49,999)
Insurance recovery	-	-	229,338	229,338
Sale of capital assets	<u>150,000</u>	<u>150,000</u>	<u>219,955</u>	<u>69,955</u>
Total other financing sources (uses)	<u>3,455,906</u>	<u>4,353,447</u>	<u>6,101,167</u>	<u>1,747,720</u>
<b>NET CHANGE IN FUND BALANCE</b>	(13,945)	(6,395,908)	(435,071)	5,960,837
<b>FUND BALANCE, BEGINNING</b>	<u>12,443,886</u>	<u>12,443,886</u>	<u>12,443,886</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 12,429,941</u>	<u>\$ 6,047,978</u>	<u>\$ 12,008,815</u>	<u>\$ 5,960,837</u>

**CITY OF DENISON, TEXAS**

REQUIRED SUPPLEMENTARY INFORMATION  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
SCHEDULE OF CHANGES IN NET PENSION  
LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
<b>Total Pension Liability</b>				
Service Cost	\$ 2,294,235	\$ 2,090,047	\$ 1,933,217	\$ 1,825,942
Interest (on the Total Pension Liability)	5,101,879	4,892,998	4,740,786	4,591,717
Difference Between Expected and Actual Experience	499,080	503,742	(98,600)	(180,883)
Changes of Assumptions	(591,772)	-	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(4,406,189)</u>	<u>(4,582,511)</u>	<u>(4,215,132)</u>	<u>(3,948,842)</u>
<b>Net Change in Total Pension Liability</b>	2,897,233	2,904,276	2,360,271	2,287,934
<b>Total Pension Liability - Beginning</b>	<u>76,639,374</u>	<u>73,735,098</u>	<u>71,374,827</u>	<u>69,086,893</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 79,536,607</u>	<u>\$ 76,639,374</u>	<u>\$ 73,735,098</u>	<u>\$ 71,374,827</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 1,604,310	\$ 1,554,862	\$ 1,484,339	\$ 1,481,217
Contributions - Employee	1,054,475	958,737	892,646	852,675
Net Investment Income	7,943,798	(5,570,756)	9,023,310	5,000,171
Benefit Payments, including Refunds of Employee Contributions	(4,406,189)	(4,582,511)	(4,215,132)	(3,948,842)
Administrative Expense	(50,653)	(48,275)	(41,789)	(32,382)
Other	<u>(353)</u>	<u>57,606</u>	<u>286</u>	<u>(1,263)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	6,145,388	(7,630,337)	7,143,660	3,351,576
<b>Plan Fiduciary Net Position - Beginning</b>	<u>68,793,801</u>	<u>76,424,138</u>	<u>69,280,478</u>	<u>65,928,902</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 74,939,189</u>	<u>\$ 68,793,801</u>	<u>\$ 76,424,138</u>	<u>\$ 69,280,478</u>
<b>Net Pension Liability (Asset) - ending (a) - (b)</b>	\$ 4,597,418	\$ 7,845,573	\$ (2,689,040)	\$ 2,094,349
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	94.22%	89.76%	103.65%	97.07%
<b>Covered Payroll</b>	\$ 15,060,194	\$ 13,696,244	\$ 12,752,091	\$ 12,181,068
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	30.53%	57.28%	-21.09%	17.19%

Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
\$ 1,804,742	\$ 1,698,110	\$ 1,592,801	\$ 1,570,742	\$ 1,471,283	\$ 1,385,094
4,420,063	4,259,941	4,138,491	4,004,811	3,948,676	3,806,514
(82,160)	15,566	(401,576)	(190,121)	(575,637)	(534,097)
283,838	-	-	-	1,069,012	-
<u>(3,839,260)</u>	<u>(3,470,248)</u>	<u>(3,695,995)</u>	<u>(3,136,017)</u>	<u>(2,948,365)</u>	<u>(2,391,085)</u>
2,587,223	2,503,369	1,633,721	2,249,415	2,964,969	2,266,426
<u>66,499,670</u>	<u>63,996,301</u>	<u>62,362,580</u>	<u>60,113,165</u>	<u>57,148,196</u>	<u>54,881,770</u>
<u>\$ 69,086,893</u>	<u>\$ 66,499,670</u>	<u>\$ 63,996,301</u>	<u>\$ 62,362,580</u>	<u>\$ 60,113,165</u>	<u>\$ 57,148,196</u>
\$ 1,437,441	\$ 1,410,223	\$ 1,307,587	\$ 1,194,194	\$ 1,241,360	\$ 1,253,742
827,133	775,143	718,866	708,453	699,659	688,330
9,040,300	(1,846,896)	7,715,846	3,605,230	80,166	2,965,830
(3,839,260)	(3,470,248)	(3,695,995)	(3,136,017)	(2,948,365)	(2,391,085)
(51,117)	(35,711)	(39,994)	(40,721)	(48,830)	(30,966)
<u>(1,535)</u>	<u>(1,866)</u>	<u>(2,027)</u>	<u>(2,194)</u>	<u>(2,412)</u>	<u>(2,546)</u>
7,412,962	(3,169,355)	6,004,283	2,328,945	(978,422)	2,483,305
<u>58,515,940</u>	<u>61,685,295</u>	<u>55,681,012</u>	<u>53,352,067</u>	<u>54,330,489</u>	<u>51,847,184</u>
<u>\$ 65,928,902</u>	<u>\$ 58,515,940</u>	<u>\$ 61,685,295</u>	<u>\$ 55,681,012</u>	<u>\$ 53,352,067</u>	<u>\$ 54,330,489</u>
\$ 3,157,991	\$ 7,983,730	\$ 2,311,006	\$ 6,681,568	\$ 6,761,098	\$ 2,817,707
95.43%	87.99%	96.39%	89.29%	88.75%	95.07%
\$ 11,749,623	\$ 11,005,252	\$ 10,269,508	\$ 10,120,762	\$ 9,995,129	\$ 9,833,286
26.88%	72.54%	22.50%	66.02%	67.64%	28.65%

**CITY OF DENISON, TEXAS**

REQUIRED SUPPLEMENTARY INFORMATION  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
SCHEDULE OF CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially Determined Contribution	\$ 1,878,602	\$ 1,565,555	\$ 1,531,841	\$ 1,467,563
Contributions in Relation to the Actuarially Determined Contribution	<u>1,878,602</u>	<u>1,565,555</u>	<u>1,531,841</u>	<u>1,467,563</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 17,188,728	\$ 14,450,375	\$ 13,414,008	\$ 12,460,598
Contributions as a Percentage of Covered Employee Payroll	10.93%	10.83%	11.42%	11.78%

**Notes to Schedule of Contributions**

**Valuation Date**

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

**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	3.5% to 11.5%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

**Other Information**

There were no benefit changes during the year.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,436,872	\$ 1,431,847	\$ 1,366,662	\$ 1,276,138	\$ 1,197,073	\$ 1,256,647
<u>1,436,872</u>	<u>1,431,847</u>	<u>1,366,662</u>	<u>1,276,138</u>	<u>1,197,073</u>	<u>1,256,647</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 11,813,936	\$ 11,631,121	\$ 10,729,319	\$ 10,309,965	\$ 10,014,944	\$ 10,050,835
12.16%	12.31%	12.74%	12.38%	11.95%	12.50%

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
<b>Total Pension Liability</b>				
Service Cost	\$ 548,597	\$ 535,217	\$ 497,868	\$ 484,543
Interest (on the Total Pension Liability)	2,019,867	1,972,877	1,907,746	1,857,246
Change in Benefit Terms	2,039,935	-	-	1,227,295
Difference Between Expected and Actual Experience	79,861	-	203,053	-
Changes of Assumptions	919,126	-	27,219	-
Benefit Payments, including Refunds	<u>(1,878,332)</u>	<u>(1,911,540)</u>	<u>(1,698,097)</u>	<u>(1,665,468)</u>
<b>Net Change in Total Pension Liability</b>	3,729,054	596,554	937,789	1,903,616
<b>Total Pension Liability - Beginning</b>	<u>27,322,134</u>	<u>26,725,580</u>	<u>25,787,791</u>	<u>23,884,175</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 31,051,188</u>	<u>\$ 27,322,134</u>	<u>\$ 26,725,580</u>	<u>\$ 25,787,791</u>
 <b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 943,365	\$ 791,048	\$ 655,168	\$ 674,130
Contributions - Employee	694,423	582,299	482,276	496,234
Net Investment Income	1,451,876	(4,299,891)	4,492,329	1,367,729
Benefit Payments, including Refunds	(1,878,332)	(1,911,540)	(1,698,097)	(1,665,468)
Administrative Expense	(37,733)	(46,624)	(54,295)	(17,749)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Plan Fiduciary Net Position</b>	1,173,599	(4,884,708)	3,877,381	854,876
<b>Plan Fiduciary Net Position - Beginning</b>	<u>20,072,690</u>	<u>24,957,398</u>	<u>21,080,017</u>	<u>20,225,141</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 21,246,289</u>	<u>\$ 20,072,690</u>	<u>\$ 24,957,398</u>	<u>\$ 21,080,017</u>
 <b>Net Pension Liability (Asset) - ending (a) - (b)</b>	\$ 9,804,899	\$ 7,249,444	\$ 1,768,182	\$ 4,707,774
 <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	68.42%	73.47%	93.38%	81.74%
 <b>Covered Payroll</b>	\$ 5,240,917	\$ 4,394,711	\$ 3,639,819	\$ 3,745,167
 <b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	187.08%	164.96%	48.58%	125.70%

Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
\$ 504,489	\$ 487,429	\$ 584,359	\$ 561,884	\$ 540,273	\$ 519,493
1,713,480	1,679,321	1,754,603	1,691,849	1,636,517	1,570,247
-	-	-	-	-	-
(693,239)	-	(246,506)	-	(322,524)	-
966,083	-	(750,691)	-	249,916	-
<u>(1,897,085)</u>	<u>(1,559,639)</u>	<u>(1,428,216)</u>	<u>(1,504,730)</u>	<u>(1,318,961)</u>	<u>(1,212,961)</u>
593,728	607,111	(86,451)	749,003	785,221	876,779
<u>23,290,447</u>	<u>22,683,336</u>	<u>22,769,787</u>	<u>22,020,784</u>	<u>21,235,563</u>	<u>20,358,784</u>
<u>\$ 23,884,175</u>	<u>\$ 23,290,447</u>	<u>\$ 22,683,336</u>	<u>\$ 22,769,787</u>	<u>\$ 22,020,784</u>	<u>\$ 21,235,563</u>
\$ 529,465	\$ 504,819	\$ 501,647	\$ 500,182	\$ 493,062	\$ 487,188
423,572	404,045	401,067	400,158	398,318	389,748
4,623,990	(461,618)	2,568,080	1,139,415	(1,053,804)	1,368,721
(1,897,085)	(1,559,639)	(1,428,216)	(1,504,730)	(1,318,961)	(1,212,961)
(43,403)	(24,075)	(38,876)	(28,393)	(26,839)	(21,105)
-	-	-	-	(2,003)	-
3,636,539	(1,136,468)	2,003,702	506,632	(1,510,227)	1,011,591
<u>16,588,602</u>	<u>17,725,070</u>	<u>15,721,368</u>	<u>15,214,736</u>	<u>16,724,963</u>	<u>15,713,372</u>
<u>\$ 20,225,141</u>	<u>\$ 16,588,602</u>	<u>\$ 17,725,070</u>	<u>\$ 15,721,368</u>	<u>\$ 15,214,736</u>	<u>\$ 16,724,963</u>
\$ 3,659,034	\$ 6,701,845	\$ 4,958,266	\$ 7,048,419	\$ 6,806,048	\$ 4,510,600
84.68%	71.22%	78.14%	69.04%	69.09%	78.76%
\$ 3,529,767	\$ 3,365,460	\$ 3,344,313	\$ 3,334,547	\$ 3,287,080	\$ 3,247,920
103.66%	199.14%	148.26%	211.38%	207.05%	138.88%

**CITY OF DENISON, TEXAS**

REQUIRED SUPPLEMENTARY INFORMATION  
DENISON FIREMEN'S RELIEF AND RETIREMENT FUND  
SCHEDULE OF CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially Determined Contribution	\$ 1,035,811	\$ 811,957	\$ 655,168	\$ 674,130
Contributions in Relation to the Actuarially Determined Contribution	<u>1,035,811</u>	<u>811,957</u>	<u>655,168</u>	<u>674,130</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$5,754,508	\$4,541,487	\$4,016,952	\$3,645,825
Contributions as a Percentage of Covered Employee Payroll	18.00%	17.88%	16.31%	18.49%

**Notes to Schedule of Contributions**

**Valuation Date**

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

**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	2.5%
Salary Increases	2.5% per year, plus promotion, step and longevity increases that vary by service
Investment Rate of Return	7.25%
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	Mortality rates were based on the 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**

There were no benefit changes during the year.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 604,020	\$ 513,916	\$ 500,846	\$ 504,920	\$ 498,662	\$ 495,712
<u>604,020</u>	<u>513,916</u>	<u>500,846</u>	<u>504,920</u>	<u>498,662</u>	<u>495,712</u>
\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
\$3,355,667	\$3,426,107	\$3,338,973	\$3,366,133	\$3,324,413	\$3,304,750
18.00%	15.00%	15.00%	15.00%	15.00%	15.00%

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## **COMBINING STATEMENTS**

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## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

**Special Revenue Funds** are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Special Events Fund** – This fund accounts for a wide range of engaging events to promote preservation of heritage and economic growth.

**Parks & Recreation Fund** – This fund accounts for voluntary donations through utility bills to enhance Waterloo Pool, Waterloo Lake and other various parks.

**TASWA Fund** – This fund accounts for revenues from the Texoma Area Solid Waste Authority as part of the gainsharing agreement.

**Community Development Operating Fund** – This fund accounts for the Community Development Block Grant and the expenditures allowed by grant terms.

**City of Denison Library Fund** – This fund accounts for library grants and donations restricted to expenditures related to Library programs, including the Read-To-Win program that promotes reading and literacy for children.

**Federal Forfeitures Fund** – This fund accounts for forfeitures award to the City by the federal courts.

**Fire Equipment Fund** – This fund accounts for expenditures related to equipment for firefighters.

**Fire Training Fund** – This fund accounts for expenditures to enhance training for the city's firefighters.

**Canine Fund** – This fund accounts for expenditures for canine police.

**Homeland Security Grant Fund** – This fund accounts for firefighting and emergency response needs provide by the AFG grant.

**Police Equipment Fund** – This fund accounts for revenue received to provide safety equipment needs for the city's police department.

**THF Park Fund** – This fund accounts for donations to THF park for the enhancement of programs and fields.

**Park Dedication Fund** – This fund accounts for revenue to develop parks and other recreational areas.

**Law Enforcement Forfeitures Fund** – This fund accounts for forfeitures award to the City by the local courts.

**Cemetery Pre-pay Open and Close Fund** – This fund accounts for revenue to cover costs of opening and closing burial sites for a funeral.

**Municipal Court Security Fund** – This fund accounts for expenditures by the municipal court for security improvements.

**Municipal Court Technology Fund** – This fund accounts for expenditures by the municipal court for technology improvements.

**Truancy & Prevention Diversion Fund** – This fund accounts for revenue collected through the court to support truancy prevention and intervention services.

**Municipal Jury Fund** – This fund accounts for revenue collected through the court to support jury services and pay of jurors.

**Hotel Occupancy Tax Fund** – This fund accounts for all revenues generated from the City's portion of hotel occupancy tax to fund qualified expenses to promote tourism in Denison.

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## **SPECIAL REVENUE FUNDS (Continued)**

**Federal Relief Fund** – This fund accounts for American Rescue Plan Act grant to support city services and enhance community support.

**Mr. & Mrs. Jones Memorial Trust Fund** - This fund accounts for a Trust that was established for the purchase of library materials. The Denison Public Library is the beneficiary of this Trust.

**Project Participation Fund** – This fund accounts for debt payments related to demolition and clean-up of property 5821 N. US Hwy 69.

**Opioid Remediation Fund** – This fund accounts for revenue received by the Texas Opioid Settlement Sharing Agreement and the expenditures are allowed by the agreement terms.

**Employee Benefits Trust Fund** – This fund accounts for expenditures for employee insurance.

**General Interest and Sinking Fund** – This fund accounts for property tax revenue collected and payment of obligated debt.

## **CAPITAL PROJECT FUNDS**

**Capital Project Funds** are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**TIRZ 1 Fund** – This fund accounts for payments for infrastructure improvements within the zone that include areas of Gateway Village and THF park on a pay as you go basis.

**TIRZ 2 Fund** – This fund accounts for payments for infrastructure improvements within the zone that includes Preston Harbor on a pay as you go basis.

**TIRZ 3 Fund** – This fund accounts for payments for infrastructure improvements within the zone that includes downtown on a pay as you go basis.

**TIRZ 4 Fund** – This fund accounts for payments for infrastructure improvements within the zone that includes Loy Lake and area West of US Hwy 75 on a pay as you go basis.

**TIRZ 5 Fund** – This fund accounts for payments for infrastructure improvements within the zone that includes Waterloo Pool, northeast area of intersection Martin Luther King street and Hwy 69, north area of Randell Street and Hwy 91 on a pay as you go basis.

**Street Impact Fee Fund** – This fund accounts for fees collected in new development city wide. The city began collected impact fees April 3, 2023, to offset financial impact on the public water, wastewater, and roadway systems.

**Street Improvement Fund** - This fund accounts for revenue transferred from the general fund for future street improvements.

**Public Improvement District 1 Fund** – This fund accounts for potential public improvements and assessing the viability of the project.

**Public Improvement District 2 Fund** – This fund accounts for potential public improvements and assessing the viability of the project.

**Public Improvement District 3 Fund** – This fund accounts for potential public improvements and assessing the viability of the project.

**CITY OF DENISON, TEXAS**  
**COMBINING BALANCE SHEETS**  
**NONMAJOR GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2024

	Tax Incremental Reinvestment Zone Zone	General Bond	Street Improvements	Street Impact Fee
<b>ASSETS</b>				
Investments	\$ -	\$ 193,805	\$ 1,028,337	\$ -
Restricted assets - cash	2,531,860	4,354,839	1,852,259	24,547
Receivables, net	-	793,519	-	-
Interest in net position of recipient organization	-	-	-	-
Total assets	<u>2,531,860</u>	<u>5,342,163</u>	<u>2,880,596</u>	<u>24,547</u>
<b>LIABILITIES</b>				
Accounts payable	-	20,404	516,447	-
Retainage payable	-	1,019,426	-	-
Customer deposits	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	<u>66,213</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>66,213</u>	<u>1,039,830</u>	<u>516,447</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - intergovernmental	<u>-</u>	<u>793,519</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>793,519</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted for:				
Capital Projects	2,465,647	3,508,814	2,364,149	24,547
Municipal court	-	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Federal and state relief grants	-	-	-	-
Committed to:				
Parks	-	-	-	-
General government	-	-	-	-
Capital projects	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>2,465,647</u>	<u>3,508,814</u>	<u>2,364,149</u>	<u>24,547</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,531,860</u>	<u>\$ 5,342,163</u>	<u>\$ 2,880,596</u>	<u>\$ 24,547</u>

Cemetry Pre-pay O&C	Special Events	Parks & Recreation	TASWA Reserve	Community Development Operating	Denison Public Library	Mr. & Mrs. Jones Memorial Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
168,714	8,570	992,186	1,659,844	-	34,166	-
1,525	-	96,314	-	-	-	-
-	-	-	-	-	-	253,643
<u>170,239</u>	<u>8,570</u>	<u>1,088,500</u>	<u>1,659,844</u>	<u>-</u>	<u>34,166</u>	<u>253,643</u>
-	374	2,153	-	-	521	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
144,705	-	-	-	-	-	-
-	-	-	-	2,327	-	-
<u>144,705</u>	<u>374</u>	<u>2,153</u>	<u>-</u>	<u>2,327</u>	<u>521</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,659,844	-	33,645	-
-	-	-	-	-	-	-
-	-	1,086,347	-	-	-	-
25,534	8,196	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	253,643
-	-	-	-	(2,327)	-	-
<u>25,534</u>	<u>8,196</u>	<u>1,086,347</u>	<u>1,659,844</u>	<u>(2,327)</u>	<u>33,645</u>	<u>253,643</u>
\$ <u>170,239</u>	\$ <u>8,570</u>	\$ <u>1,088,500</u>	\$ <u>1,659,844</u>	\$ <u>-</u>	\$ <u>34,166</u>	\$ <u>253,643</u>

**CITY OF DENISON, TEXAS**

COMBINING BALANCE SHEETS  
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Project Participation	Federal Forfeitures	Fire Equipment	Fire Training
<b>ASSETS</b>				
Investments	\$ -	\$ -	\$ -	\$ -
Restricted assets - cash	918,386	44,795	1,746	16,228
Receivables, net	-	-	-	-
Interest in net position of recipient organization	-	-	-	-
Total assets	<u>918,386</u>	<u>44,795</u>	<u>1,746</u>	<u>16,228</u>
<b>LIABILITIES</b>				
Accounts payable	28	-	-	-
Retainage payable	-	-	-	-
Customer deposits	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>28</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - intergovernmental	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted for:				
Capital Projects	918,358	-	-	-
Municipal court	-	-	-	-
Public safety	-	44,795	1,746	16,228
Community services	-	-	-	-
Federal and state relief grants	-	-	-	-
Committed to:				
Parks	-	-	-	-
General government	-	-	-	-
Capital projects	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>918,358</u>	<u>44,795</u>	<u>1,746</u>	<u>16,228</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 918,386</u>	<u>\$ 44,795</u>	<u>\$ 1,746</u>	<u>\$ 16,228</u>

Canine	Police Equipment	THF Park	Retiree Medical	Park Dedication	Law Enforcement Forfeitures	Police Training
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,075	173,024	71	629	60,848	27,745	11,708
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,075</u>	<u>173,024</u>	<u>71</u>	<u>629</u>	<u>60,848</u>	<u>27,745</u>	<u>11,708</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,075	173,024	-	-	-	27,745	11,708
-	-	-	629	60,848	-	-
-	-	-	-	-	-	-
-	-	71	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,075</u>	<u>173,024</u>	<u>71</u>	<u>629</u>	<u>60,848</u>	<u>27,745</u>	<u>11,708</u>
\$ <u>3,075</u>	\$ <u>173,024</u>	\$ <u>71</u>	\$ <u>629</u>	\$ <u>60,848</u>	\$ <u>27,745</u>	\$ <u>11,708</u>

**CITY OF DENISON, TEXAS**

COMBINING BALANCE SHEETS  
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Municipal Court Security	Municipal Court Technology	Truancy & Prevention Diversion	Municipal Jury
<b>ASSETS</b>				
Investments	\$ -	\$ -	\$ -	\$ -
Restricted assets - cash	18,350	33,319	50,482	1,008
Receivables, net	-	-	-	-
Interest in net position of recipient organization	-	-	-	-
Total assets	<u>18,350</u>	<u>33,319</u>	<u>50,482</u>	<u>1,008</u>
<b>LIABILITIES</b>				
Accounts payable	-	92	-	-
Retainage payable	-	-	-	-
Customer deposits	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>92</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - intergovernmental	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted for:				
Capital Projects	-	-	-	-
Municipal court	18,350	33,227	50,482	1,008
Public safety	-	-	-	-
Community services	-	-	-	-
Federal and state relief grants	-	-	-	-
Committed to:				
Parks	-	-	-	-
General government	-	-	-	-
Capital projects	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>18,350</u>	<u>33,227</u>	<u>50,482</u>	<u>1,008</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,350</u>	<u>\$ 33,319</u>	<u>\$ 50,482</u>	<u>\$ 1,008</u>

Improvement Fund	Hotel Occupancy Tax	Federal Relief	Opioid Remediation	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,222,142
25,783	921,617	290,658	75,326	14,301,783
-	69,611	-	-	960,969
-	-	-	-	253,643
<u>25,783</u>	<u>991,228</u>	<u>290,658</u>	<u>75,326</u>	<u>16,738,537</u>
-	50,732	28,092	-	618,843
-	-	-	-	1,019,426
15,000	-	-	-	15,000
-	-	-	-	144,705
-	-	-	-	68,540
<u>15,000</u>	<u>50,732</u>	<u>28,092</u>	<u>-</u>	<u>1,866,514</u>
-	-	-	-	793,519
-	-	-	-	793,519
-	-	-	-	9,281,515
-	-	-	-	103,067
-	-	-	-	278,321
-	940,496	-	-	2,695,462
-	-	262,566	75,326	337,892
-	-	-	-	1,086,418
-	-	-	-	33,730
10,783	-	-	-	10,783
-	-	-	-	253,643
-	-	-	-	(2,327)
<u>10,783</u>	<u>940,496</u>	<u>262,566</u>	<u>75,326</u>	<u>14,078,504</u>
<u>\$ 25,783</u>	<u>\$ 991,228</u>	<u>\$ 290,658</u>	<u>\$ 75,326</u>	<u>\$ 16,738,537</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Tax Increment Reinvestment Zone	General Bond	Street Improvements	Street Impact Fee
<b>REVENUES</b>				
Property tax	\$ 2,453,470	\$ -	\$ -	\$ -
Franchise and local taxes	-	-	-	-
Intergovernmental	-	794,014	-	-
Charges for services	-	-	2,675	24,180
Fines and forfeitures	-	-	-	-
Investment income (loss)	149,621	115,922	316,737	367
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>2,603,091</u>	<u>909,936</u>	<u>319,412</u>	<u>24,547</u>
<b>EXPENDITURES</b>				
Current:				
General government	12,000	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	743,648	3,788,565	6,350,808	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	66,709	-	-
Total expenditures	<u>755,648</u>	<u>3,855,274</u>	<u>6,350,808</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,847,443</u>	<u>(2,945,338)</u>	<u>(6,031,396)</u>	<u>24,547</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	70,051	945,000	-
Transfers out	(707,670)	(808,651)	(82,063)	-
Bond issuance	-	5,305,000	-	-
Premium on issuance	-	100,692	-	-
Total other financing sources (uses)	<u>(707,670)</u>	<u>4,667,092</u>	<u>862,937</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,139,773	1,721,754	(5,168,459)	24,547
<b>FUND BALANCES, BEGINNING</b>	<u>1,325,874</u>	<u>1,787,060</u>	<u>7,532,608</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 2,465,647</u>	<u>\$ 3,508,814</u>	<u>\$ 2,364,149</u>	<u>\$ 24,547</u>

Cemetery Pre-pay O&C	Special Events	Parks & Recreation	TASWA Reserve	Community Development Operating	Denison Public Library	Mr. & Mrs. Jones Memorial Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	295,778	-	-
10,078	230,650	553,397	-	-	2,323	-
-	-	-	-	-	-	-
9,262	-	68,171	78,618	-	4,342	41,536
-	-	2,693	-	-	209	-
-	14,142	21,703	-	-	49	-
<u>19,340</u>	<u>244,792</u>	<u>645,964</u>	<u>78,618</u>	<u>295,778</u>	<u>6,923</u>	<u>41,536</u>
-	247,757	-	-	98,528	143,944	-
-	-	-	-	-	-	-
-	3,750	424,149	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	175,000	-	-
-	-	-	-	14,776	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>251,507</u>	<u>424,149</u>	<u>-</u>	<u>288,304</u>	<u>143,944</u>	<u>-</u>
<u>19,340</u>	<u>(6,715)</u>	<u>221,815</u>	<u>78,618</u>	<u>7,474</u>	<u>(137,021)</u>	<u>41,536</u>
-	-	-	585,521	-	-	-
(10,078)	-	(253,520)	(243,319)	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(10,078)</u>	<u>-</u>	<u>(253,520)</u>	<u>342,202</u>	<u>-</u>	<u>-</u>	<u>-</u>
9,262	(6,715)	(31,705)	420,820	7,474	(137,021)	41,536
<u>16,272</u>	<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>25,534</u>	\$ <u>8,196</u>	\$ <u>1,086,347</u>	\$ <u>1,659,844</u>	\$ <u>(2,327)</u>	\$ <u>33,645</u>	\$ <u>253,643</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Project Participation	Federal Forfeitures	Fire Equipment	Fire Training
<b>REVENUES</b>				
Property tax	\$ -	\$ -	\$ -	\$ -
Franchise and local taxes	-	-	-	-
Intergovernmental	477,737	-	1,730	16,495
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income (loss)	49,057	1,417	16	734
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>526,794</u>	<u>1,417</u>	<u>1,746</u>	<u>17,229</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	10,020	-	5,033
Community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	574,285	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>574,285</u>	<u>10,020</u>	<u>-</u>	<u>5,033</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(47,491)</u>	<u>(8,603)</u>	<u>1,746</u>	<u>12,196</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Bond issuance	-	-	-	-
Premium on issuance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(47,491)	(8,603)	1,746	12,196
<b>FUND BALANCES, BEGINNING</b>	<u>965,849</u>	<u>53,398</u>	<u>-</u>	<u>4,032</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 918,358</u>	<u>\$ 44,795</u>	<u>\$ 1,746</u>	<u>\$ 16,228</u>

Canine	Police Equipment	THF Park	Retiree Medical	Park Dedication	Law Enforcement Forfeitures	Police Training
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	149,804	-	-	-	3,449	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
166	4,056	4	408	3,258	1,576	443
-	-	-	-	-	-	-
-	-	-	-	-	-	9,195
<u>166</u>	<u>153,860</u>	<u>4</u>	<u>408</u>	<u>3,258</u>	<u>5,025</u>	<u>9,638</u>
-	-	-	-	-	-	-
-	16,317	-	-	-	6,403	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>16,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,403</u>	<u>-</u>
<u>166</u>	<u>137,543</u>	<u>4</u>	<u>408</u>	<u>3,258</u>	<u>(1,378)</u>	<u>9,638</u>
-	15,132	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>15,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
166	152,675	4	408	3,258	(1,378)	9,638
<u>2,909</u>	<u>20,349</u>	<u>67</u>	<u>221</u>	<u>57,590</u>	<u>29,123</u>	<u>2,070</u>
\$ <u>3,075</u>	\$ <u>173,024</u>	\$ <u>71</u>	\$ <u>629</u>	\$ <u>60,848</u>	\$ <u>27,745</u>	\$ <u>11,708</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Municipal Court Security	Municipal Court Technology	Truancy & Prevention Diversion	Municipal Jury
<b>REVENUES</b>				
Property tax	\$ -	\$ -	\$ -	\$ -
Franchise and local taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	10,929	9,021	10,955	219
Investment income (loss)	1,549	1,707	2,417	48
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>12,478</u>	<u>10,728</u>	<u>13,372</u>	<u>267</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community services	15,492	8,588	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>15,492</u>	<u>8,588</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,014)</u>	<u>2,140</u>	<u>13,372</u>	<u>267</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(8,077)	-	-	-
Bond issuance	-	-	-	-
Premium on issuance	-	-	-	-
Total other financing sources (uses)	<u>(8,077)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(11,091)	2,140	13,372	267
<b>FUND BALANCES, BEGINNING</b>	<u>29,441</u>	<u>31,087</u>	<u>37,110</u>	<u>741</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 18,350</u>	<u>\$ 33,227</u>	<u>\$ 50,482</u>	<u>\$ 1,008</u>

Improvement Fund	Hotel Occupancy Tax	Federal Relief	Opioid Remediation	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 2,453,470
-	1,013,815	-	-	1,013,815
-	-	-	-	1,739,007
-	-	-	-	823,303
-	-	-	-	31,124
2,160	42,056	123,909	3,850	1,023,407
-	-	-	-	2,902
25,000	-	275	12,851	83,215
<u>27,160</u>	<u>1,055,871</u>	<u>124,184</u>	<u>16,701</u>	<u>7,170,243</u>
-	-	1,688,487	-	2,190,716
-	90,438	-	-	128,211
-	-	511,976	9,321	973,276
20,754	-	256,426	-	277,180
-	-	-	-	11,457,306
-	-	-	-	175,000
-	-	-	-	14,776
-	-	-	-	66,709
<u>20,754</u>	<u>90,438</u>	<u>2,456,889</u>	<u>9,321</u>	<u>15,283,174</u>
<u>6,406</u>	<u>965,433</u>	<u>(2,332,705)</u>	<u>7,380</u>	<u>(8,112,931)</u>
-	-	-	-	1,615,704
-	(554,944)	-	-	(2,668,322)
-	-	-	-	5,305,000
-	-	-	-	100,692
-	<u>(554,944)</u>	<u>-</u>	<u>-</u>	<u>4,353,074</u>
6,406	410,489	(2,332,705)	7,380	(3,759,857)
<u>4,377</u>	<u>530,007</u>	<u>2,595,271</u>	<u>67,946</u>	<u>17,838,361</u>
\$ <u>10,783</u>	\$ <u>940,496</u>	\$ <u>262,566</u>	\$ <u>75,326</u>	\$ <u>14,078,504</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 1,737,726	\$ 1,737,726	\$ 2,447,581	\$ 709,855
Intergovernmental	353,944	353,944	353,944	-
Investment income (loss)	60,000	60,000	164,814	104,814
Total revenues	<u>2,151,670</u>	<u>2,151,670</u>	<u>2,966,339</u>	<u>814,669</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	3,548,302	3,548,302	2,507,722	1,040,580
Interest and fiscal charges	1,080,471	1,080,471	1,000,719	79,752
Bond issuance costs	16,000	16,000	14,170	1,830
Total expenditures	<u>4,644,773</u>	<u>4,644,773</u>	<u>3,522,611</u>	<u>1,122,162</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,493,103)</u>	<u>(2,493,103)</u>	<u>(556,272)</u>	<u>1,936,831</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,700,979	1,700,979	1,500,979	(200,000)
Transfers out	-	-	(97,878)	(97,878)
Total other financing sources (uses)	<u>1,700,979</u>	<u>1,700,979</u>	<u>1,403,101</u>	<u>(297,878)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(792,124)	(792,124)	846,829	1,638,953
<b>FUND BALANCE, BEGINNING</b>	<u>2,130,979</u>	<u>2,130,979</u>	<u>2,130,979</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,338,855</u>	<u>\$ 1,338,855</u>	<u>\$ 2,977,808</u>	<u>\$ 1,638,953</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, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 3,019,527	\$ 3,019,527	\$ 2,453,470	\$ (566,057)
Investment income (loss)	49,150	49,150	149,621	100,471
Total revenues	<u>3,068,677</u>	<u>3,068,677</u>	<u>2,603,091</u>	<u>(465,586)</u>
<b>EXPENDITURES</b>				
Current:				
General government	12,000	12,000	12,000	-
Capital outlay	-	-	743,648	(743,648)
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>755,648</u>	<u>(743,648)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,056,677</u>	<u>3,056,677</u>	<u>1,847,443</u>	<u>(1,209,234)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(707,460)	(707,460)	(707,670)	(210)
Total other financing sources (uses)	<u>(707,460)</u>	<u>(707,460)</u>	<u>(707,670)</u>	<u>(210)</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,349,217	2,349,217	1,139,773	(1,209,444)
<b>FUND BALANCE, BEGINNING</b>	<u>1,325,874</u>	<u>1,325,874</u>	<u>1,325,874</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 3,675,091</u>	<u>\$ 3,675,091</u>	<u>\$ 2,465,647</u>	<u>\$ (1,209,444)</u>

**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, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 793,519	\$ 793,519	\$ 794,014	\$ 495
Investment income (loss)	20,000	20,000	115,922	95,922
Total revenues	<u>813,519</u>	<u>813,519</u>	<u>909,936</u>	<u>96,417</u>
<b>EXPENDITURES</b>				
Capital outlay	166,272	166,272	3,788,565	(3,622,293)
Debt service:				
Bond issuance costs	-	-	66,709	(66,709)
Total expenditures	<u>166,272</u>	<u>166,272</u>	<u>3,855,274</u>	<u>(3,689,002)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>647,247</u>	<u>647,247</u>	<u>(2,945,338)</u>	<u>(3,592,585)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	14,300,000	14,300,000	70,051	(14,229,949)
Transfers out	(15,093,519)	(15,093,519)	(808,651)	14,284,868
Bond issuance	-	-	5,305,000	5,305,000
Premium on issuance	-	-	100,692	100,692
Total other financing sources (uses)	<u>(793,519)</u>	<u>(793,519)</u>	<u>4,667,092</u>	<u>5,460,611</u>
<b>NET CHANGE IN FUND BALANCE</b>	(146,272)	(146,272)	1,721,754	1,868,026
<b>FUND BALANCE, BEGINNING</b>	<u>1,787,060</u>	<u>1,787,060</u>	<u>1,787,060</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,640,788</u>	<u>\$ 1,640,788</u>	<u>\$ 3,508,814</u>	<u>\$ 1,868,026</u>

**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, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 12,000	\$ 12,000	\$ 10,078	\$ (1,922)
Investment income (loss)	2,000	2,000	9,262	7,262
Total revenues	<u>14,000</u>	<u>14,000</u>	<u>19,340</u>	<u>5,340</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>14,000</u>	<u>14,000</u>	<u>19,340</u>	<u>5,340</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(12,000)</u>	<u>(12,000)</u>	<u>(10,078)</u>	<u>1,922</u>
Total other financing sources (uses)	<u>(12,000)</u>	<u>(12,000)</u>	<u>(10,078)</u>	<u>1,922</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,000	2,000	9,262	7,262
<b>FUND BALANCE, BEGINNING</b>	<u>16,272</u>	<u>16,272</u>	<u>16,272</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 18,272</u>	<u>\$ 18,272</u>	<u>\$ 25,534</u>	<u>\$ 7,262</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 2,675	\$ 2,675
Investment income (loss)	100,000	100,000	316,737	216,737
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>319,412</u>	<u>219,412</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>1,252,030</u>	<u>1,252,030</u>	<u>6,350,808</u>	<u>(5,098,778)</u>
Total expenditures	<u>1,252,030</u>	<u>1,252,030</u>	<u>6,350,808</u>	<u>(5,098,778)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,152,030)</u>	<u>(1,152,030)</u>	<u>(6,031,396)</u>	<u>(4,879,366)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	945,000	945,000	945,000	-
Transfers out	<u>-</u>	<u>-</u>	<u>(82,063)</u>	<u>(82,063)</u>
Total other financing sources (uses)	<u>945,000</u>	<u>945,000</u>	<u>862,937</u>	<u>(82,063)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(207,030)	(207,030)	(5,168,459)	(4,961,429)
<b>FUND BALANCE, BEGINNING</b>	<u>7,532,608</u>	<u>7,532,608</u>	<u>7,532,608</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 6,380,578</u>	<u>\$ 6,380,578</u>	<u>\$2,364,149</u>	<u>\$ (4,016,429)</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 182,000	\$ 182,000	\$ 230,650	\$ 48,650
Miscellaneous	-	-	14,142	14,142
Total revenues	<u>182,000</u>	<u>182,000</u>	<u>244,792</u>	<u>62,792</u>
<b>EXPENDITURES</b>				
Current:				
General government	182,000	182,000	247,757	(65,757)
Community services	-	-	3,750	(3,750)
Total expenditures	<u>182,000</u>	<u>182,000</u>	<u>251,507</u>	<u>(69,507)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(6,715)	(6,715)
<b>FUND BALANCE, BEGINNING</b>	<u>14,911</u>	<u>14,911</u>	<u>14,911</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 14,911</u>	<u>\$ 14,911</u>	<u>\$ 8,196</u>	<u>\$ (6,715)</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 587,000	\$ 587,000	\$ 553,397	\$ (33,603)
Investment income (loss)	14,000	14,000	68,171	54,171
Contributions	500	500	2,693	2,193
Miscellaneous	-	-	21,703	21,703
Total revenues	<u>601,500</u>	<u>601,500</u>	<u>645,964</u>	<u>44,464</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	<u>1,047,800</u>	<u>1,047,800</u>	<u>424,149</u>	<u>623,651</u>
Total expenditures	<u>1,047,800</u>	<u>1,047,800</u>	<u>424,149</u>	<u>623,651</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(446,300)</u>	<u>(446,300)</u>	<u>221,815</u>	<u>668,115</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(253,520)</u>	<u>(253,520)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(253,520)</u>	<u>(253,520)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(446,300)</u>	<u>(446,300)</u>	<u>(31,705)</u>	<u>414,595</u>
<b>FUND BALANCE, BEGINNING</b>	<u>1,118,052</u>	<u>1,118,052</u>	<u>1,118,052</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 671,752</u>	<u>\$ 671,752</u>	<u>\$ 1,086,347</u>	<u>\$ 414,595</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Investment income (loss)	\$ 15,000	\$ 15,000	\$ 78,618	\$ 63,618
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>78,618</u>	<u>63,618</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>15,000</u>	<u>15,000</u>	<u>78,618</u>	<u>63,618</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	500,000	500,000	585,521	85,521
Transfers out	(261,179)	(261,179)	(243,319)	17,860
Total other financing sources (uses)	<u>238,821</u>	<u>238,821</u>	<u>342,202</u>	<u>103,381</u>
<b>NET CHANGE IN FUND BALANCE</b>	253,821	253,821	420,820	166,999
<b>FUND BALANCE, BEGINNING</b>	<u>1,239,024</u>	<u>1,239,024</u>	<u>1,239,024</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,492,845</u>	<u>\$1,492,845</u>	<u>\$ 1,659,844</u>	<u>\$ 166,999</u>

**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, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,100	\$ 1,100	\$ 2,323	\$ 1,223
Investment income (loss)	1,500	1,500	4,342	2,842
Contributions and donations	1,500	1,500	209	(1,291)
Miscellaneous	-	-	49	49
Total revenues	<u>4,100</u>	<u>4,100</u>	<u>6,923</u>	<u>2,823</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>62,600</u>	<u>62,600</u>	<u>143,944</u>	<u>(81,344)</u>
Total expenditures	<u>62,600</u>	<u>62,600</u>	<u>143,944</u>	<u>(81,344)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(58,500)	(58,500)	(137,021)	(78,521)
<b>FUND BALANCE, BEGINNING</b>	<u>170,666</u>	<u>170,666</u>	<u>170,666</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 112,166</u>	<u>\$ 112,166</u>	<u>\$ 33,645</u>	<u>\$ (78,521)</u>

**CITY OF DENISON, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
MR. & MRS. JONES MEMORIAL TRUST

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Investment income (loss)	\$ -	\$ -	\$ 41,536	\$ 41,536
Total revenues	<u>-</u>	<u>-</u>	<u>41,536</u>	<u>41,536</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	41,536	41,536
<b>FUND BALANCE, BEGINNING</b>	<u>212,107</u>	<u>212,107</u>	<u>212,107</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 212,107</u>	<u>\$ 212,107</u>	<u>\$ 253,643</u>	<u>\$ 41,536</u>

**CITY OF DENISON, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PROJECT PARTICIPATION

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 477,737	\$ 477,737
Investment income (loss)	<u>5,000</u>	<u>5,000</u>	<u>49,057</u>	<u>44,057</u>
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>526,794</u>	<u>521,794</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>924,561</u>	<u>924,561</u>	<u>574,285</u>	<u>350,276</u>
Total expenditures	<u>924,561</u>	<u>924,561</u>	<u>574,285</u>	<u>350,276</u>
<b>NET CHANGE IN FUND BALANCE</b>	(919,561)	(919,561)	(47,491)	872,070
<b>FUND BALANCE, BEGINNING</b>	<u>965,849</u>	<u>965,849</u>	<u>965,849</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 46,288</u>	<u>\$ 46,288</u>	<u>\$ 918,358</u>	<u>\$ 872,070</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Investment income (loss)	\$ 600	\$ 600	\$ 1,417	\$ 817
Total revenues	<u>600</u>	<u>600</u>	<u>1,417</u>	<u>817</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	-	10,020	(10,020)
Total expenditures	<u>-</u>	<u>-</u>	<u>10,020</u>	<u>(10,020)</u>
<b>NET CHANGE IN FUND BALANCES</b>	600	600	(8,603)	(9,203)
<b>FUND BALANCE, BEGINNING</b>	<u>53,398</u>	<u>53,398</u>	<u>53,398</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 53,998</u>	<u>\$ 53,998</u>	<u>\$ 44,795</u>	<u>\$ (9,203)</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Budget Basis	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,500	\$ 1,500	\$ 1,730	\$ 230
Investment income (loss)	-	-	16	16
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>1,746</u>	<u>246</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>1,500</u>	<u>1,500</u>	-	<u>1,500</u>
Total expenditures	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	1,746	1,746
<b>FUND BALANCE, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,746</u>	<u>\$ 1,746</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,500	\$ 1,500	\$ 16,495	\$ 14,995
Investment income (loss)	25	25	734	709
Total revenues	<u>1,525</u>	<u>1,525</u>	<u>17,229</u>	<u>15,704</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>5,000</u>	<u>5,000</u>	<u>5,033</u>	<u>(33)</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,033</u>	<u>(33)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,475)	(3,475)	12,196	15,671
<b>FUND BALANCE, BEGINNING</b>	<u>4,032</u>	<u>4,032</u>	<u>4,032</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 557</u>	<u>\$ 557</u>	<u>\$ 16,228</u>	<u>\$ 15,671</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Investment income (loss)	\$ 50	\$ 50	\$ 166	\$ 116
Total revenues	<u>50</u>	<u>50</u>	<u>166</u>	<u>116</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(950)	(950)	166	1,116
<b>FUND BALANCE, BEGINNING</b>	<u>2,909</u>	<u>2,909</u>	<u>2,909</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,959</u>	<u>\$ 1,959</u>	<u>\$ 3,075</u>	<u>\$ 1,116</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,500	\$ 1,500	\$ 149,804	\$ 148,304
Investment income (loss)	25	25	4,056	4,031
Total revenues	<u>1,525</u>	<u>1,525</u>	<u>153,860</u>	<u>152,335</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>1,500</u>	<u>1,500</u>	<u>16,317</u>	<u>(14,817)</u>
Total expenditures	<u>1,500</u>	<u>1,500</u>	<u>16,317</u>	<u>(14,817)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>25</u>	<u>25</u>	<u>137,543</u>	<u>137,518</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>15,132</u>	<u>15,132</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>15,132</u>	<u>15,132</u>
<b>NET CHANGE IN FUND BALANCE</b>	25	25	152,675	152,650
<b>FUND BALANCE, BEGINNING</b>	<u>20,349</u>	<u>20,349</u>	<u>20,349</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 20,374</u>	<u>\$ 20,374</u>	<u>\$ 173,024</u>	<u>\$ 152,650</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Investment income (loss)	\$ 2	\$ 2	\$ 4	\$ 2
Total revenues	<u>2</u>	<u>2</u>	<u>4</u>	<u>2</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	2	2	4	2
<b>FUND BALANCE, BEGINNING</b>	<u>67</u>	<u>67</u>	<u>67</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 69</u>	<u>\$ 69</u>	<u>\$ 71</u>	<u>\$ 2</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Investment income (loss)	\$ -	\$ -	\$ 408	\$ 408
Total revenues	<u>-</u>	<u>-</u>	<u>408</u>	<u>408</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>1,900,000</u>	<u>1,900,000</u>	<u>-</u>	<u>1,900,000</u>
Total expenditures	<u>1,900,000</u>	<u>1,900,000</u>	<u>-</u>	<u>1,900,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,900,000)</u>	<u>(1,900,000)</u>	<u>408</u>	<u>1,900,408</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>1,900,000</u>	<u>1,900,000</u>	<u>-</u>	<u>(1,900,000)</u>
Total other financing sources (uses)	<u>1,900,000</u>	<u>1,900,000</u>	<u>-</u>	<u>(1,900,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	408	408
<b>FUND BALANCE, BEGINNING</b>	<u>221</u>	<u>221</u>	<u>221</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 221</u>	<u>\$ 221</u>	<u>\$ 629</u>	<u>\$ 408</u>

**CITY OF DENISON, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PARK DEDICATION

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Investment income (loss)	\$ 500	\$ 500	\$ 3,258	\$ 2,758
Total revenues	<u>500</u>	<u>500</u>	<u>3,258</u>	<u>2,758</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	500	500	3,258	2,758
<b>FUND BALANCE, BEGINNING</b>	<u>57,590</u>	<u>57,590</u>	<u>57,590</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 58,090</u>	<u>\$ 58,090</u>	<u>\$ 60,848</u>	<u>\$ 2,758</u>

**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, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 3,449	\$ (11,551)
Investment income (loss)	500	500	1,576	1,076
Total revenues	<u>15,500</u>	<u>15,500</u>	<u>5,025</u>	<u>(10,475)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	28,750	28,750	6,403	22,347
Total expenditures	<u>28,750</u>	<u>28,750</u>	<u>6,403</u>	<u>22,347</u>
<b>NET CHANGE IN FUND BALANCE</b>	(13,250)	(13,250)	(1,378)	11,872
<b>FUND BALANCE, BEGINNING</b>	<u>29,123</u>	<u>29,123</u>	<u>29,123</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 15,873</u>	<u>\$ 15,873</u>	<u>\$ 27,745</u>	<u>\$ 11,872</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Budget Basis	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Investment income (loss)	\$ 25	\$ 25	\$ 443	\$ 418
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>9,195</u>	<u>7,195</u>
Total revenues	<u>2,025</u>	<u>2,025</u>	<u>9,638</u>	<u>7,613</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	25	25	9,638	9,613
<b>FUND BALANCE, BEGINNING</b>	<u>2,070</u>	<u>2,070</u>	<u>2,070</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 2,095</u>	<u>\$ 2,095</u>	<u>\$ 11,708</u>	<u>\$ 9,613</u>

**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, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 10,929	\$ 929
Investment income (loss)	<u>500</u>	<u>500</u>	<u>1,549</u>	<u>1,049</u>
Total revenues	<u>10,500</u>	<u>10,500</u>	<u>12,478</u>	<u>1,978</u>
<b>EXPENDITURES</b>				
Current:				
Community services	<u>15,000</u>	<u>15,000</u>	<u>15,492</u>	<u>(492)</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>15,492</u>	<u>(492)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,500)</u>	<u>(4,500)</u>	<u>(3,014)</u>	<u>1,486</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(5,020)</u>	<u>(5,020)</u>	<u>(8,077)</u>	<u>(3,057)</u>
Total other financing sources (uses)	<u>(5,020)</u>	<u>(5,020)</u>	<u>(8,077)</u>	<u>(3,057)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(9,520)</u>	<u>(9,520)</u>	<u>(11,091)</u>	<u>(1,571)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>29,441</u>	<u>29,441</u>	<u>29,441</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 19,921</u>	<u>\$ 19,921</u>	<u>\$ 18,350</u>	<u>\$ (1,571)</u>

**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, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 8,700	\$ 8,700	\$ 9,021	\$ 321
Investment income (loss)	500	500	1,707	1,207
Total revenues	<u>9,200</u>	<u>9,200</u>	<u>10,728</u>	<u>1,528</u>
<b>EXPENDITURES</b>				
Current:				
Community services	<u>14,800</u>	<u>14,800</u>	<u>8,588</u>	<u>6,212</u>
Total expenditures	<u>14,800</u>	<u>14,800</u>	<u>8,588</u>	<u>6,212</u>
<b>NET CHANGE IN FUND BALANCES</b>	(5,600)	(5,600)	2,140	7,740
<b>FUND BALANCE, BEGINNING</b>	<u>31,087</u>	<u>31,087</u>	<u>31,087</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 25,487</u>	<u>\$ 25,487</u>	<u>\$ 33,227</u>	<u>\$ 7,740</u>

**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, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 10,955	\$ 955
Investment income (loss)	600	600	2,417	1,817
Total revenues	<u>10,600</u>	<u>10,600</u>	<u>13,372</u>	<u>2,772</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	10,600	10,600	13,372	2,772
<b>FUND BALANCE, BEGINNING</b>	<u>37,110</u>	<u>37,110</u>	<u>37,110</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 47,710</u>	<u>\$ 47,710</u>	<u>\$ 50,482</u>	<u>\$ 2,772</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 200	\$ 200	\$ 219	\$ 19
Investment income (loss)	15	15	48	33
Total revenues	<u>215</u>	<u>215</u>	<u>267</u>	<u>52</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	215	215	267	52
<b>FUND BALANCE, BEGINNING</b>	<u>741</u>	<u>741</u>	<u>741</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 956</u>	<u>\$ 956</u>	<u>\$ 1,008</u>	<u>\$ 52</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Investment income (loss)	\$ 50	\$ 50	\$ 2,160	\$ 2,110
Miscellaneous	-	-	25,000	25,000
Total revenues	<u>50</u>	<u>50</u>	<u>27,160</u>	<u>27,110</u>
<b>EXPENDITURES</b>				
Current:				
Public works	-	-	20,754	(20,754)
Total expenditures	<u>-</u>	<u>-</u>	<u>20,754</u>	<u>(20,754)</u>
<b>NET CHANGE IN FUND BALANCE</b>	50	50	6,406	6,356
<b>FUND BALANCE, BEGINNING</b>	<u>4,377</u>	<u>4,377</u>	<u>4,377</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 4,427</u>	<u>\$ 4,427</u>	<u>\$ 10,783</u>	<u>\$ 6,356</u>

**CITY OF DENISON, TEXAS**

SCHEUDLE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
HOTEL OCCUPANCY TAX FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Franchise and local taxes	\$ 900,000	\$ 900,000	\$ 1,013,815	\$ 113,815
Investment income (loss)	<u>2,000</u>	<u>2,000</u>	<u>42,056</u>	<u>40,056</u>
Total revenues	<u>902,000</u>	<u>902,000</u>	<u>1,055,871</u>	<u>153,871</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>289,350</u>	<u>289,350</u>	<u>90,438</u>	<u>198,912</u>
Total expenditures	<u>289,350</u>	<u>289,350</u>	<u>90,438</u>	<u>198,912</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>612,650</u>	<u>612,650</u>	<u>965,433</u>	<u>352,783</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(665,000)</u>	<u>(665,000)</u>	<u>(554,944)</u>	<u>110,056</u>
Total other financing sources (uses)	<u>(665,000)</u>	<u>(665,000)</u>	<u>(554,944)</u>	<u>110,056</u>
<b>NET CHANGE IN FUND BALANCE</b>	(52,350)	(52,350)	410,489	462,839
<b>FUND BALANCE, BEGINNING</b>	<u>530,007</u>	<u>530,007</u>	<u>530,007</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 477,657</u>	<u>\$ 477,657</u>	<u>\$ 940,496</u>	<u>\$ 462,839</u>

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Investment income (loss)	\$ -	\$ -	\$ 123,909	\$ 123,909
Miscellaneous	-	-	275	275
Total revenues	-	-	124,184	124,184
<b>EXPENDITURES</b>				
Current:				
General government	896,527	896,527	1,688,487	(791,960)
Community services	247,737	247,737	511,976	(264,239)
Public works	-	-	256,426	(256,426)
Capital outlay	1,380,154	1,380,154	-	1,380,154
Total expenditures	2,524,418	2,524,418	2,456,889	67,529
<b>NET CHANGE IN FUND BALANCE</b>	(2,524,418)	(2,524,418)	(2,332,705)	191,713
<b>FUND BALANCE, BEGINNING</b>	2,595,271	2,595,271	2,595,271	-
<b>FUND BALANCE, ENDING</b>	\$ 70,853	\$ 70,853	\$ 262,566	\$ 191,713

**CITY OF DENISON, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>REVENUES</b>				
Investment income (loss)	\$ 400	\$ 400	\$ 3,850	\$ 3,450
Miscellaneous	<u>-</u>	<u>-</u>	<u>12,851</u>	<u>12,851</u>
Total revenues	<u>400</u>	<u>400</u>	<u>16,701</u>	<u>16,301</u>
<b>EXPENDITURES</b>				
Current:				
Community services	<u>42,500</u>	<u>42,500</u>	<u>9,321</u>	<u>33,179</u>
Total expenditures	<u>42,500</u>	<u>42,500</u>	<u>9,321</u>	<u>33,179</u>
<b>NET CHANGE IN FUND BALANCE</b>	(42,100)	(42,100)	7,380	49,480
<b>FUND BALANCE, BEGINNING</b>	<u>67,946</u>	<u>67,946</u>	<u>67,946</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 25,846</u>	<u>\$ 25,846</u>	<u>\$ 75,326</u>	<u>\$ 49,480</u>

## **FIDUCIARY FUNDS**

***Custodial Funds*** account 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.

***Sister City Fund*** – This fund accounts for a youth ambassador exchange program that offers opportunities to students through an abroad program.

***Law Enforcement Seizure Fund*** - This fund accounts for seized property in holding until the legal proceedings are finished.

**CITY OF DENISON, TEXAS**

COMBINING STATEMENT OF NET POSITION  
FIDUCIARY FUNDS

SEPTEMBER 30, 2024

	Custodial Funds		
	<u>Police Seizure</u>	<u>Sister City</u>	<u>Total</u>
<b>ASSETS</b>			
Current:			
Cash and cash equivalents	\$ <u>82,142</u>	\$ <u>20,449</u>	\$ <u>102,591</u>
Total assets	<u>82,142</u>	<u>20,449</u>	<u>102,591</u>
<b>NET POSITION</b>			
Restricted for organizations and other governments	<u>82,142</u>	<u>20,449</u>	<u>102,591</u>
Total liabilities	\$ <u><u>82,142</u></u>	\$ <u><u>20,449</u></u>	\$ <u><u>102,591</u></u>

**CITY OF DENISON, TEXAS**

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

SEPTEMBER 30, 2024

	Custodial Funds		Total
	Police Seizure	Sister City	
<b>ADDITIONS</b>			
Contributions	\$ 11,309	\$ 45,828	\$ 57,137
Total additions	<u>11,309</u>	<u>45,828</u>	<u>57,137</u>
<b>DEDUCTIONS</b>			
Intergovernmental	<u>4,582</u>	<u>25,516</u>	<u>30,098</u>
Total deductions	<u>4,582</u>	<u>25,516</u>	<u>30,098</u>
<b>CHANGE IN NET POSITION</b>	<u>6,727</u>	<u>20,312</u>	<u>27,039</u>
<b>NET POSITION, BEGINNING</b>	<u>75,415</u>	<u>137</u>	<u>75,552</u>
<b>NET POSITION, ENDING</b>	<u>\$ 82,142</u>	<u>\$ 20,449</u>	<u>\$ 102,591</u>

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**CITY OF DENISON, TEXAS**

COMBINING STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS

SEPTEMBER 30, 2024

	Denison Business and Industrial Corporation	Denison Public Library Endowment Fund	Denison Community Investment Corporation*	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 5,523,423	\$ -	\$ 361,248	\$ 5,884,671
Investments	-	-	245,451	245,451
Restricted assets - cash	-	-	16,150	16,150
Restricted assets - investments	-	810,642	-	810,642
Receivables, net	515,315	-	5,823	521,138
Prepays	18,333	-	-	18,333
Intergovernmental receivable	440,649	-	-	440,649
Notes receivable - current	-	-	148,307	148,307
Total current assets	<u>6,497,720</u>	<u>810,642</u>	<u>776,979</u>	<u>8,085,341</u>
Noncurrent assets:				
Notes receivable - long-term	-	-	987,651	987,651
Capital assets:				
Non-depreciable assets	7,143,912	-	-	7,143,912
Net depreciable capital assets	<u>401,950</u>	<u>-</u>	<u>-</u>	<u>401,950</u>
Total noncurrent assets	<u>7,545,862</u>	<u>-</u>	<u>987,651</u>	<u>8,533,513</u>
Total assets	<u>14,043,582</u>	<u>810,642</u>	<u>1,764,630</u>	<u>16,618,854</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	79,254	-	-	79,254
Escrow payable	-	-	16,150	16,150
Accrued interest payable	295,245	-	-	295,245
Accrued wages payable	<u>15,186</u>	<u>-</u>	<u>-</u>	<u>15,186</u>
Total current liabilities	<u>389,685</u>	<u>-</u>	<u>16,150</u>	<u>405,835</u>
Noncurrent liabilities:				
Due within one year:				
Compensated absences	8,479	-	-	8,479
Long-term debt	359,845	-	-	359,845
Due in more than one year:				
Compensated absences	76,311	-	-	76,311
Long-term debt	<u>4,165,000</u>	<u>-</u>	<u>-</u>	<u>4,165,000</u>
Total long-term liabilities	<u>4,609,635</u>	<u>-</u>	<u>-</u>	<u>4,609,635</u>
Total liabilities	<u>4,999,320</u>	<u>-</u>	<u>16,150</u>	<u>5,015,470</u>
<b>NET POSITION</b>				
Net investment in capital assets	3,021,017	-	-	3,021,017
Restricted for:				
Debt service	13,354	-	-	13,354
Unrestricted	<u>6,009,891</u>	<u>810,642</u>	<u>1,748,480</u>	<u>8,569,013</u>
Total net position	<u>\$ 9,044,262</u>	<u>\$ 810,642</u>	<u>\$ 1,748,480</u>	<u>\$ 11,603,384</u>

\*Note: As of December 31, 2023

**CITY OF DENISON, TEXAS**

COMBINING STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Component units			
Governmental activities:			
Denison Business and Industrial Corporation	\$ 5,613,146	\$ 13,325	\$ 42,090
Denison Public Library Endowment Fund	<u>63,700</u>	<u>-</u>	<u>10,597</u>
Total governmental activities	<u>5,676,846</u>	<u>13,325</u>	<u>52,687</u>
Business-type activities			
Denison Community Investment Corporation*	<u>15,100</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>15,100</u>	<u>-</u>	<u>-</u>
Total component unit	<u>\$ 5,691,946</u>	<u>\$ 13,325</u>	<u>\$ 52,687</u>

General revenues:  
Sales tax  
Investment income (losses)  
Capital contributions  
Sale of assets (losses)  
Miscellaneous  
Total general revenues and transfers  
Change in net position  
Net position, beginning  
Net position, ending

\*Note: For the year ended December 31, 2023

Net (Expense) Revenue and Change in Net Position

<u>Denison Business and Industrial Corporation</u>	<u>Denison Public Library Endowment Fund</u>	<u>Denison Community Investment Corporation*</u>	<u>Total</u>
\$( 5,557,731)	\$ -	\$ -	\$( 5,557,731)
<u>-</u>	<u>(53,103)</u>	<u>-</u>	<u>(53,103)</u>
<u>(5,557,731)</u>	<u>(53,103)</u>	<u>-</u>	<u>(5,610,834)</u>
<u>-</u>	<u>-</u>	<u>(15,100)</u>	<u>(15,100)</u>
<u>-</u>	<u>-</u>	<u>(15,100)</u>	<u>(15,100)</u>
<u>(5,557,731)</u>	<u>(53,103)</u>	<u>(15,100)</u>	<u>(5,625,934)</u>
2,786,407	-	-	2,786,407
348,339	165,672	53,824	567,835
454,990	-	-	454,990
182,413	-	-	182,413
<u>1,273</u>	<u>60</u>	<u>325</u>	<u>1,658</u>
<u>3,773,422</u>	<u>165,732</u>	<u>54,149</u>	<u>3,993,303</u>
<u>(1,784,309)</u>	<u>112,629</u>	<u>39,049</u>	<u>(1,632,631)</u>
<u>10,828,571</u>	<u>698,013</u>	<u>1,709,431</u>	<u>13,236,015</u>
\$ <u>9,044,262</u>	\$ <u>810,642</u>	\$ <u>1,748,480</u>	\$ <u>11,603,384</u>

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## **STATISTICAL SECTION**

**CITY OF DENISON, TEXAS**

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

	Fiscal Year			
	2015	2016	2017	2018
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 26,366,449	\$ 35,036,127	\$ 37,132,818	\$ 37,495,796
Restricted	315,807	481,114	501,914	773,847
Unrestricted	<u>2,058,721</u>	<u>1,024,406</u>	<u>(364,665)</u>	<u>(51,283)</u>
Total governmental activities net position	<u>\$ 28,740,977</u>	<u>\$ 36,541,647</u>	<u>\$ 37,270,067</u>	<u>\$ 38,218,360</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 17,614,946	\$ 17,690,856	\$ 17,982,620	\$ 18,227,222
Restricted	-	-	-	-
Unrestricted	<u>3,399,905</u>	<u>3,199,098</u>	<u>3,285,060</u>	<u>3,693,557</u>
Total business-type activities net position	<u>\$ 21,014,851</u>	<u>\$ 20,889,954</u>	<u>\$ 21,267,680</u>	<u>\$ 21,920,779</u>
<b>Primary government:</b>				
Net investment in capital assets	\$ 43,981,395	\$ 52,726,983	\$ 55,115,438	\$ 55,723,018
Restricted	315,807	481,114	501,914	773,847
Unrestricted	<u>5,458,626</u>	<u>4,223,504</u>	<u>2,920,395</u>	<u>3,642,274</u>
Total primary government net position	<u>\$ 49,755,828</u>	<u>\$ 57,431,601</u>	<u>\$ 58,537,747</u>	<u>\$ 60,139,139</u>

**TABLE 1**

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 37,535,804	\$ 38,828,612	\$ 40,778,772	\$ 42,830,735	\$ 44,569,881	\$ 47,347,415
1,645,398	1,305,137	7,155,833	10,233,014	7,587,649	7,577,162
<u>(3,251,881)</u>	<u>(1,912,786)</u>	<u>(529,620)</u>	<u>2,625,984</u>	<u>8,472,403</u>	<u>6,229,866</u>
<u>\$ 35,929,321</u>	<u>\$ 38,220,963</u>	<u>\$ 47,404,985</u>	<u>\$ 55,689,733</u>	<u>\$ 60,629,933</u>	<u>\$ 61,154,443</u>
\$ 18,465,710	\$ 21,327,908	\$ 19,181,636	\$ 23,173,107	\$ 28,828,601	\$ 28,132,237
-	-	-	591,281	-	527,677
<u>5,973,273</u>	<u>4,777,839</u>	<u>8,338,628</u>	<u>6,855,817</u>	<u>4,842,514</u>	<u>8,740,423</u>
<u>\$ 24,438,983</u>	<u>\$ 26,105,747</u>	<u>\$ 27,520,264</u>	<u>\$ 30,620,205</u>	<u>\$ 33,671,115</u>	<u>\$ 37,400,337</u>
\$ 56,001,514	\$ 60,156,520	\$ 59,960,408	\$ 66,003,842	\$ 73,398,482	\$ 75,479,652
1,645,398	1,305,137	7,155,833	10,824,295	7,587,649	8,104,839
<u>2,721,392</u>	<u>2,865,053</u>	<u>7,809,008</u>	<u>9,481,801</u>	<u>13,314,917</u>	<u>14,970,289</u>
<u>\$ 60,368,304</u>	<u>\$ 64,326,710</u>	<u>\$ 74,925,249</u>	<u>\$ 86,309,938</u>	<u>\$ 94,301,048</u>	<u>\$ 98,554,780</u>

**CITY OF DENISON, TEXAS**

CHANGES IN NET POSITION  
Last Ten Fiscal Years (Unaudited)  
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
<b>EXPENSES</b>				
Governmental activities:				
General government	\$ 4,368,406	\$ 5,243,230	\$ 6,217,065	\$ 5,592,849
Public safety	9,790,527	10,918,408	11,552,027	11,341,795
Community services	3,708,493	4,124,284	4,288,512	4,055,461
Public works	5,524,477	4,953,880	6,157,746	6,324,708
Interest and fiscal charges	<u>239,722</u>	<u>305,847</u>	<u>489,753</u>	<u>538,988</u>
Total governmental activities expenses	<u>23,631,625</u>	<u>25,545,649</u>	<u>28,705,103</u>	<u>27,853,801</u>
Business-type activities:				
Water and sewer services	<u>9,350,407</u>	<u>9,456,049</u>	<u>9,557,924</u>	<u>9,771,531</u>
Total business-type activities expenses	<u>9,350,407</u>	<u>9,456,049</u>	<u>9,557,924</u>	<u>9,771,531</u>
Total primary government program expenses	<u>32,982,032</u>	<u>35,001,698</u>	<u>38,263,027</u>	<u>37,625,332</u>
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services:				
General government	1,038,224	901,405	1,214,347	1,243,624
Public safety	2,230,118	2,237,545	1,860,847	2,353,054
Community services	1,084,003	1,170,975	1,405,039	1,446,762
Public works	4,882,630	4,948,606	5,178,881	5,394,334
Operating grants and contributions	533,356	1,199,819	224,280	819,419
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>272,525</u>	<u>-</u>
Total governmental activities program revenues	<u>9,768,331</u>	<u>10,458,350</u>	<u>10,155,919</u>	<u>11,257,193</u>
Business-type activities:				
Charges for services:				
Water and sewer service	10,874,750	11,035,471	11,925,469	12,555,348
Operating grants and contributions	-	-	-	-
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	<u>10,874,750</u>	<u>11,035,471</u>	<u>11,925,469</u>	<u>12,555,348</u>
Total primary government program revenues	<u>20,643,081</u>	<u>21,493,821</u>	<u>22,081,388</u>	<u>23,812,541</u>

**TABLE 2**

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 5,675,190	\$ 4,979,074	\$ 4,690,211	\$ 6,417,612	\$ 9,116,744	\$ 12,905,082
12,903,441	11,807,727	11,977,539	13,218,099	17,421,835	19,658,151
5,776,713	6,396,781	6,532,744	6,815,721	6,748,665	7,832,838
6,804,281	6,849,224	6,101,920	6,227,422	7,400,109	8,505,508
<u>506,897</u>	<u>651,586</u>	<u>1,030,163</u>	<u>1,061,659</u>	<u>1,174,944</u>	<u>1,225,879</u>
<u>31,666,522</u>	<u>30,684,392</u>	<u>30,332,577</u>	<u>33,740,513</u>	<u>41,862,297</u>	<u>50,127,458</u>
<u>10,545,353</u>	<u>10,164,849</u>	<u>10,834,046</u>	<u>12,062,253</u>	<u>15,167,342</u>	<u>19,273,735</u>
<u>10,545,353</u>	<u>10,164,849</u>	<u>10,834,046</u>	<u>12,062,253</u>	<u>15,167,342</u>	<u>19,273,735</u>
<u>42,211,875</u>	<u>40,849,241</u>	<u>41,166,623</u>	<u>45,802,766</u>	<u>57,029,639</u>	<u>69,401,193</u>
1,418,334	1,231,546	310,850	241,737	250,721	41,211
1,829,812	910,917	1,200,216	1,356,310	2,994,313	2,550,274
1,688,766	1,652,774	2,118,081	2,453,643	2,239,177	715,411
5,410,774	5,654,494	5,821,317	6,157,608	7,103,629	8,787,108
449,370	1,668,713	912,461	949,989	1,525,739	2,095,631
-	-	5,260,875	3,913,306	19,192	-
<u>10,797,056</u>	<u>11,118,444</u>	<u>15,623,800</u>	<u>15,072,593</u>	<u>14,132,771</u>	<u>14,189,635</u>
12,783,394	13,736,756	14,518,795	16,903,891	18,968,067	22,059,398
-	25,375	-	-	204,482	205,025
-	-	-	-	-	129,784
<u>12,783,394</u>	<u>13,762,131</u>	<u>14,518,795</u>	<u>16,903,891</u>	<u>19,172,549</u>	<u>22,394,207</u>
<u>23,580,450</u>	<u>24,880,575</u>	<u>30,142,595</u>	<u>31,976,484</u>	<u>33,305,320</u>	<u>36,583,842</u>

**CITY OF DENISON, TEXAS**

CHANGES IN NET POSITION  
Last Ten Fiscal Years (Unaudited)  
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
<b>NET (EXPENSE) REVENUES</b>				
Governmental activities	(13,863,294)	(15,087,299)	(18,549,184)	(16,596,608)
Business-type activities	<u>1,524,343</u>	<u>1,579,422</u>	<u>2,367,545</u>	<u>2,783,817</u>
Total primary government net expense	<u>(12,338,951)</u>	<u>(13,507,877)</u>	<u>(16,181,639)</u>	<u>(13,812,791)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities:				
Taxes:				
Property	7,170,676	7,669,631	8,507,756	8,861,579
Sales	4,417,481	4,717,022	5,148,801	5,591,271
Franchise and local	1,861,481	1,837,245	1,788,815	1,936,874
Investment earnings	143,629	45,826	105,995	163,508
Sale of capital assets	-	-	50,000	-
Miscellaneous	32,325	625,210	859,401	735,762
Contributions from component unit	-	-	-	-
Transfers	<u>1,258,471</u>	<u>1,687,361</u>	<u>2,023,317</u>	<u>1,539,284</u>
Total governmental activities	<u>14,884,063</u>	<u>16,582,295</u>	<u>18,484,085</u>	<u>18,828,278</u>
Business-type activities:				
Investment earnings	25,572	28,985	33,498	108,868
Gain/(loss) on sale of capital assets	-	(45,943)	-	-
Miscellaneous	-	-	-	-
Transfers	<u>(1,258,471)</u>	<u>(1,687,361)</u>	<u>(2,023,317)</u>	<u>(1,539,284)</u>
Total business-type activities	<u>(1,232,899)</u>	<u>(1,704,319)</u>	<u>(1,989,819)</u>	<u>(1,430,416)</u>
Total primary government	<u>13,651,164</u>	<u>14,877,976</u>	<u>16,494,266</u>	<u>17,397,862</u>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	1,020,769	1,494,996	(65,099)	2,231,670
Business-type activities	<u>291,444</u>	<u>(124,897)</u>	<u>377,726</u>	<u>1,353,401</u>
Total primary government	<u>\$ 1,312,213</u>	<u>\$ 1,370,099</u>	<u>\$ 312,627</u>	<u>\$ 3,585,071</u>

**TABLE 2**

Fiscal Year					
2019	2020	2021	2022	2023	2024
(20,869,466)	(19,565,948)	(14,708,777)	(18,667,920)	(27,729,526)	(35,937,823)
<u>2,238,041</u>	<u>3,597,282</u>	<u>3,684,749</u>	<u>4,841,638</u>	<u>4,005,207</u>	<u>3,120,472</u>
<u>(18,631,425)</u>	<u>(15,968,666)</u>	<u>(11,024,028)</u>	<u>(13,826,282)</u>	<u>(23,724,319)</u>	<u>(32,817,351)</u>
10,049,035	11,069,151	12,248,777	13,263,057	16,696,399	20,817,602
5,710,960	6,112,237	6,437,969	7,924,179	8,140,375	8,359,220
1,974,020	1,760,562	2,032,350	2,419,078	2,757,728	3,241,492
216,726	126,053	95,150	147,480	1,257,389	1,810,711
-	-	-	-	-	219,955
624,662	719,271	712,483	1,013,301	795,431	271,234
-	-	-	-	-	477,737
<u>5,024</u>	<u>2,070,316</u>	<u>2,304,170</u>	<u>1,971,499</u>	<u>3,022,404</u>	<u>1,264,382</u>
<u>18,580,427</u>	<u>21,857,590</u>	<u>23,830,899</u>	<u>26,738,594</u>	<u>32,669,726</u>	<u>36,462,333</u>
285,187	139,798	33,938	229,802	2,068,107	1,707,707
-	-	-	-	-	64,243
-	-	-	-	-	101,182
<u>(5,024)</u>	<u>(2,070,316)</u>	<u>(2,304,170)</u>	<u>(1,971,499)</u>	<u>(3,022,404)</u>	<u>(1,264,382)</u>
<u>280,163</u>	<u>(1,930,518)</u>	<u>(2,270,232)</u>	<u>(1,741,697)</u>	<u>(954,297)</u>	<u>608,750</u>
<u>18,860,590</u>	<u>19,927,072</u>	<u>21,560,667</u>	<u>24,996,897</u>	<u>31,715,429</u>	<u>37,071,083</u>
(2,289,039)	2,291,642	9,122,122	8,070,674	4,940,200	524,510
<u>2,518,204</u>	<u>1,666,764</u>	<u>1,414,517</u>	<u>3,099,941</u>	<u>3,050,910</u>	<u>3,729,222</u>
<u>\$ 229,165</u>	<u>\$ 3,958,406</u>	<u>\$ 10,536,639</u>	<u>\$ 11,170,615</u>	<u>\$ 7,991,110</u>	<u>\$ 4,253,732</u>

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**CITY OF DENISON, TEXAS**

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Property Tax	Franchise Tax	Sales Tax	Hotel/Motel Tax	Bingo and Mixed Beverage Tax	Total
2015	\$ 7,192,805	\$ 1,441,300	\$ 4,450,730	\$ 368,846	\$ 51,335	\$ 13,471,767
2016	7,471,696	1,383,876	4,684,773	409,558	43,811	13,871,840
2017	8,507,756	1,371,528	5,157,204	371,452	45,835	15,445,372
2018	8,616,569	1,457,997	5,582,867	477,341	48,112	16,153,605
2019	9,507,352	1,458,202	5,710,960	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	6,686,699	498,760	73,292	20,723,254
2022	12,671,887	1,697,506	7,277,734	668,781	84,439	22,400,347
2023	16,134,274	1,855,018	8,251,124	1,090,886	86,222	27,417,525
2024	20,652,070	2,113,473	8,359,220	1,013,815	114,204	32,252,782

**CITY OF DENISON, TEXAS**

FUND BALANCE  
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
General fund				
Nonspendable	\$ 86,063	\$ 113,434	\$ 109,918	\$ 88,498
Restricted	-	-	-	-
Committed	1,781,095	1,706,012	1,706,012	751,725
Assigned	-	-	-	-
Unassigned	<u>6,168,066</u>	<u>5,743,218</u>	<u>6,187,054</u>	<u>6,857,817</u>
Total general fund	<u>\$ 8,035,224</u>	<u>\$ 7,562,664</u>	<u>\$ 8,002,984</u>	<u>\$ 7,698,040</u>
All other governmental funds				
Restricted	\$ 1,848,023	\$ 10,853,153	\$ 13,890,862	\$ 2,385,232
Committed	514,828	674,417	728,932	877,138
Assigned	220,142	277,204	247,863	245,622
Unassigned	<u>(16,858)</u>	<u>(21,824)</u>	<u>(2,127)</u>	<u>(260,195)</u>
Total all other governmental funds	<u>\$ 2,566,135</u>	<u>\$ 11,782,950</u>	<u>\$ 14,865,530</u>	<u>\$ 3,247,797</u>

**TABLE 4**

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 327,573	\$ 252,330	\$ 468,408	\$ 145,090	\$ 98,168	\$ 160
-	-	1,100,000	2,420,594	873,216	611
386,981	474,294	206,162	109,433	109,433	198
-	-	-	-	-	71
<u>6,251,513</u>	<u>5,884,269</u>	<u>7,852,604</u>	<u>8,860,243</u>	<u>11,363,069</u>	<u>10,969</u>
<u>\$ 6,966,067</u>	<u>\$ 6,610,893</u>	<u>\$ 9,627,174</u>	<u>\$ 11,535,360</u>	<u>\$ 12,443,886</u>	<u>\$ 12,009</u>
\$ 1,645,398	\$ 10,245,490	\$ 24,114,680	\$ 19,444,409	\$ 17,287,481	\$ 15,673
935,347	848,620	1,229,356	1,397,391	2,479,553	1,131
235,516	238,796	269,715	202,445	212,107	254
<u>(75,058)</u>	<u>(755)</u>	<u>(8,421)</u>	<u>(50,863)</u>	<u>(9,801)</u>	<u>(2)</u>
<u>\$ 2,741,203</u>	<u>\$ 11,332,151</u>	<u>\$ 25,605,330</u>	<u>\$ 20,993,382</u>	<u>\$ 19,969,340</u>	<u>\$ 17,056</u>

**CITY OF DENISON, TEXAS**

CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
<b>REVENUES</b>				
Taxes	\$ 13,479,894	\$ 14,225,726	\$ 15,470,740	\$ 16,324,904
Licenses and permits	261,607	304,911	512,456	523,420
Intergovernmental	453,831	-	-	-
Charges for services	8,448,544	8,448,748	8,889,643	9,321,868
Fines and forfeitures	543,089	568,599	456,094	601,428
Investment income (loss)	32,325	45,826	105,995	163,508
Contributions and donations	79,525	1,199,819	1,017,799	1,612,938
Miscellaneous	543,241	774,822	859,401	735,762
Total revenues	<u>23,842,056</u>	<u>25,568,451</u>	<u>27,312,128</u>	<u>29,283,828</u>
<b>EXPENDITURES</b>				
General government	4,156,486	4,686,707	5,545,323	5,496,424
Public safety	9,643,623	10,023,933	10,597,386	10,467,072
Community services	6,292,975	4,152,743	6,765,751	3,974,436
Public works	2,317,968	5,420,051	5,751,542	5,740,187
Capital outlay	3,318,030	744,496	1,930,282	16,041,273
Debt service:				
Principal	1,094,496	1,159,923	1,787,351	2,387,944
Interest and fiscal charges	281,184	258,196	395,015	550,687
Bond issuance costs	-	53,508	139,812	30,194
Total expenditures	<u>27,104,762</u>	<u>26,499,557</u>	<u>32,912,462</u>	<u>44,688,217</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,262,706)</u>	<u>(931,106)</u>	<u>(5,600,334)</u>	<u>(15,404,389)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,258,471	1,687,361	1,645,934	2,019,378
Transfers out	-	-	-	-
Bond issuance	-	7,475,000	7,350,000	1,000,000
Premium on issuance	-	-	117,671	-
Issuance of lease	-	-	-	-
Issuance of financed purchase	1,600,000	463,000	-	790,378
Insurance recovery	-	-	-	-
Sale of capital assets	-	50,000	50,000	-
Total other financing sources (uses)	<u>2,858,471</u>	<u>9,675,361</u>	<u>9,163,605</u>	<u>3,809,756</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (404,235)</u>	<u>\$ 8,744,255</u>	<u>\$ 3,563,271</u>	<u>\$ (11,594,633)</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<u>5.8%</u>	<u>5.8%</u>	<u>7.8%</u>	<u>10.3%</u>

Note: Capital Outlay does not include contributed capital assets.

**TABLE 5**

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 17,686,489	\$ 18,890,254	\$ 20,701,674	\$ 23,621,868	\$ 27,465,051	\$ 32,252,782
607,804	767,573	884,066	1,200,857	967,994	1,070,384
-	-	6,497,050	5,242,697	2,353,450	3,048,442
9,560,848	8,637,896	8,076,671	8,409,915	10,748,437	11,350,772
400,547	316,459	475,924	436,013	444,478	440,690
216,726	126,053	95,150	152,395	1,257,389	1,810,711
1,242,889	1,334,468	-	164,160	150,554	151,977
624,662	803,623	961,836	861,086	794,877	271,234
<u>30,339,965</u>	<u>30,876,326</u>	<u>37,692,371</u>	<u>40,088,991</u>	<u>44,182,230</u>	<u>50,396,992</u>
5,256,116	4,260,806	4,607,099	8,463,973	9,751,017	12,318,460
11,618,750	11,350,803	11,344,112	12,685,967	14,446,850	16,822,830
6,468,070	6,252,363	6,283,141	6,523,281	6,778,201	6,329,211
6,382,160	6,231,492	5,596,970	7,583,127	7,513,213	8,191,300
2,399,460	3,013,046	5,730,452	12,174,572	7,150,054	15,772,382
2,656,495	2,733,212	3,078,280	3,859,021	4,534,085	4,791,688
531,477	507,397	733,247	1,303,933	1,417,218	1,295,683
-	174,909	161,203	100,000	-	80,879
<u>35,312,528</u>	<u>34,524,028</u>	<u>37,534,504</u>	<u>52,693,874</u>	<u>51,590,638</u>	<u>65,602,433</u>
<u>(4,972,563)</u>	<u>(3,647,702)</u>	<u>157,867</u>	<u>(12,604,883)</u>	<u>(7,408,408)</u>	<u>(15,205,441)</u>
1,846,493	2,070,316	2,304,170	1,982,989	3,022,404	6,391,062
-	-	-	-	-	(5,126,680)
-	8,750,000	12,295,000	4,600,000	1,140,000	5,305,000
-	1,024,909	1,366,013	-	-	100,692
-	-	-	3,150,511	2,827,118	1,671,633
1,887,500	-	1,100,000	-	-	3,066,342
-	-	-	-	-	229,338
-	-	104,973	167,621	274,859	219,955
<u>3,733,993</u>	<u>11,845,225</u>	<u>17,170,156</u>	<u>9,901,121</u>	<u>7,264,381</u>	<u>11,857,342</u>
<u>\$ (1,238,570)</u>	<u>\$ 8,197,523</u>	<u>\$ 17,328,023</u>	<u>\$ (2,703,762)</u>	<u>\$ (144,027)</u>	<u>\$ (3,348,099)</u>
<u>10.2%</u>	<u>9.4%</u>	<u>12.0%</u>	<u>12.7%</u>	<u>13.6%</u>	<u>9.3%</u>

**CITY OF DENISON, TEXAS**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Real & Non Real Property			Less: Productivity Loss & Homestead Cap	Total Assessed Value
	Residential Property	Commercial Property	Personal Property		
2015	\$ 544,960,592	\$ 633,865,861	\$ 311,895,598	\$ (24,957,931)	\$ 1,465,764,120
2016	568,909,108	684,004,866	334,436,044	(26,132,144)	1,561,217,874
2017	644,858,864	712,430,939	321,533,002	(49,001,553)	1,629,821,252
2018	708,301,353	773,117,625	311,424,971	(47,844,376)	1,744,999,573
2019	823,905,532	829,016,556	318,085,182	(64,664,017)	1,906,343,253
2020	1,126,702,143	853,672,408	225,156,269	(85,085,553)	2,120,445,267
2021	1,340,477,872	912,838,829	249,517,819	(54,067,910)	2,448,766,610
2022	1,816,597,289	1,067,090,454	328,905,930	(198,934,492)	3,013,659,181
2023	2,181,599,617	1,194,217,025	360,756,024	(235,704,359)	3,500,868,307
2024	2,331,527,105	1,333,949,958	380,195,070	(254,659,802)	3,791,012,331

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

**TABLE 6**

Total Direct Tax Rate	Actual Taxable Value	Taxable Value as a Percentage of Assessed Value
0.653377	\$ 1,107,802,263	75.58%
0.653377	1,181,434,177	75.67%
0.643377	1,325,736,786	81.34%
0.633377	1,429,444,394	81.92%
0.633377	1,573,456,675	82.54%
0.652034	1,755,957,532	82.81%
0.652034	2,075,252,425	84.75%
0.652034	2,591,719,375	86.00%
0.652034	2,973,223,377	84.93%
0.652034	3,255,372,684	85.87%

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**TABLE 7****CITY OF DENISON, TEXAS****DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(PER \$100 OF ASSESSED VALUE)****LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	City Direct Rates			Overlapping Rates		
	Operating/ General Rate	General Obligation Debt Service	Total Direct	Denison Independent School District	Grayson County	Grayson County Junior College
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
2024	0.563104	0.08893	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

SEPTEMBER 30, 2024  
(UNAUDITED)

Taxpayer	2024		
	Taxable Value	Rank	Percentage of Taxable Value
UHS of Texoma Inc. (Texoma Medical Center)	\$ 202,199,779	1	6.24%
Universal Health Services	55,124,475	2	1.70%
Ruiz Food Products, Inc.	36,353,331	3	1.12%
Grayson Properties LP	26,000,000	4	0.80%
Ruiz Food Products, Inc.	24,251,565	5	0.75%
Spectrum Brands INC	22,359,997	6	0.69%
Union Pacific Railroad Co	21,914,773	7	0.68%
Oncor Electric Delivery Co LLC	20,540,250	8	0.63%
MFT RGV1 LLC	18,244,690	9	0.56%
Denison Walker Properties LLC	17,000,000	10	0.52%
Caterpillar Global Mining	-	n/a	0.00%
Covenant Denison Holdings LLC	-	n/a	<u>0.00%</u>
Top Ten Taxpayers Total:	<u>\$ 443,988,860</u>		<u>13.71%</u>
City-Wide Total Taxable Value:	<u>\$ 3,239,537,287</u>		

Source: Grayson Central Appraisal District - Top Ten Taxpayers Report

**TABLE 8**

2015		
<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Taxable Value</u>
\$ 104,000,000	1	8.86%
25,987,209	2	2.21%
14,163,326	8	1.21%
17,686,200	6	1.51%
12,371,301	9	1.05%
23,017,790	4	1.96%
23,244,717	3	1.98%
12,308,125	10	1.05%
-	n/a	0.00%
-	n/a	0.00%
22,607,952	5	1.93%
<u>14,511,522</u>	7	<u>1.24%</u>
<u>\$ 269,898,142</u>		<u>22.98%</u>
<u>\$ 1,174,381,406</u>		

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**CITY OF DENISON, TEXAS**

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2015	\$ 7,055,238	\$ 6,927,406	98.19%	\$ 122,688	\$ 7,050,094	99.93%
2016	7,501,037	7,381,352	98.40%	113,817	7,495,169	99.92%
2017	8,309,353	8,164,388	98.26%	98,553	8,262,941	99.44%
2018	8,688,391	8,542,962	98.33%	62,240	8,605,201	99.04%
2019	9,520,568	9,349,717	98.21%	107,567	9,457,285	99.34%
2020	10,811,380	10,579,942	97.86%	46,003	10,625,945	98.28%
2021	11,774,551	11,535,845	97.97%	164,113	11,699,958	99.37%
2022	12,737,290	12,494,778	98.10%	156,915	12,651,694	99.33%
2023	15,924,647	15,573,481	97.79%	158,505	15,731,986	98.79%
2024	18,192,701	17,787,360	97.77%	-	17,787,360	97.77%

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

**CITY OF DENISON, TEXAS**

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Governmental Activities						
	Certificates of Obligation	General Obligation Bonds	Tax Notes	Tax Notes	Lease	Financed Purchases	Issuance Premiums
2015	\$ 2,373,290	\$ 4,481,172	\$ -	\$ 1,240,000	\$ 2,264,737	\$ -	\$ -
2016	9,747,960	3,905,726	-	1,040,000	2,376,817	-	-
2017	14,707,290	3,209,084	-	840,000	2,004,278	-	379,873
2018	14,369,982	2,556,200	-	635,000	2,455,635	-	341,245
2019	13,096,383	2,082,400	-	425,000	3,813,038	-	302,617
2020	20,540,641	1,702,400	-	215,000	3,145,568	-	1,288,898
2021	31,075,175	1,307,200	-	-	4,741,284	-	2,562,340
2022	33,793,716	995,600	-	-	6,396,833	-	2,401,468
2023	32,705,022	672,600	-	536,000	2,420,297	5,004,188	2,240,596
2024	31,972,900	342,000	3,860,000	361,000	3,163,315	6,826,487	2,186,787

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

**TABLE 10**

Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita*
Certificates of Obligation	General Obligation Bonds	Lease	Financed Purchases	Issuance Premiums			
\$ 23,369,865	\$ 1,006,391	\$ 9,110	\$ -	\$ -	\$ 34,744,565	7%	\$ 1,517
23,896,855	991,682	-	-	-	41,959,040	9%	1,790
26,767,548	897,773	-	-	(31,507)	48,774,339	9%	2,062
31,090,022	748,800	353,968	-	1,455,795	54,006,647	9%	2,215
31,573,621	3,457,600	305,632	-	2,088,699	57,144,990	9%	2,275
29,844,363	7,127,600	256,652	-	2,505,124	66,626,246	11%	2,680
42,284,830	6,312,800	488,818	-	4,314,297	93,086,744	15%	3,803
62,626,289	5,489,400	625,196	-	6,393,329	118,721,831	18%	4,715
99,709,983	5,484,400	759,042	234,989	9,123,970	158,891,087	19%	5,929
148,032,100	3,783,000	790,760	1,480,323	12,179,652	214,978,324	23%	7,817

**CITY OF DENISON, TEXAS**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS  
(UNAUDITED)

<b>Fiscal Year</b>	<b>Estimated Population <sup>1</sup></b>	<b>Assessed Value</b>	<b>Gross Bonded Debt</b>	<b>Less Debt Service Funds</b>	<b>Net Bonded Debt</b>
2015	22,907	\$ 1,465,764,120	\$ 30,285,000	\$ 108,000	\$ 30,177,000
2016	23,447	1,561,217,874	39,167,644	207,881	38,959,763
2017	23,654	1,629,821,252	46,801,568	224,608	46,576,960
2018	24,380	1,744,999,573	49,741,249	280,132	49,461,117
2019	25,118	1,906,343,253	50,937,621	628,365	50,309,256
2020	24,860	2,120,445,267	60,718,902	962,084	59,756,818
2021	24,479	2,448,766,610	80,960,000	1,409,597	79,550,403
2022	25,179	3,013,659,181	102,900,000	986,455	101,913,545
2023	26,800	3,500,868,307	138,572,005	1,867,737	136,704,268
2024	27,500	3,791,012,331	202,356,439	3,318,978	199,037,461

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

**TABLE 11**

<b>% of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
2.06%	\$ 1,317
2.50%	1,662
2.86%	1,969
2.83%	2,029
2.64%	2,003
2.82%	2,404
3.25%	3,250
3.38%	4,048
3.90%	5,101
5.25%	7,238

**CITY OF DENISON, TEXAS**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2024  
(UNAUDITED)

Governmental Subdivision	Gross Bonded Debt	Percentage of Debt Applicable to Area	City Share of Overlapping Debt
Denison Independent School District	\$ 203,470,000	75.24%	\$ 153,090,828
Grayson County	36,030,000	13.68%	4,928,904
Grayson College	12,775,000	13.68%	1,747,620
Pottsboro Independent School District	60,666,000	2.62%	1,589,449
Sherman Independent School District	<u>408,200,000</u>	0.55%	<u>2,245,100</u>
	<u>\$ 721,141,000</u>		163,601,901
City of Denison			<u>48,712,489</u>
Total Direct and Overlapping Debt			<u>\$ 212,314,390</u>
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			5.60%
Per capita overlapping bonded debt			\$ 7,721

Source: "Texas Municipal Report" as of Septmeber 30, 2024, prepared by the Municipal Advisory Council of Texas.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries the City. This schedule estimates the portion of the outstanding debt of those overlapping governments 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 residents and businesses should be taken into account. However, this does not imply that every taxpayer 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. Applicable percentages were estimated by determining the portion of the overlapping government's assessed value that is within the City of Denison's boundaries and dividing it by the overlapping total taxable assessed value.

**CITY OF DENISON, TEXAS**

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Tax Rate Limit	Current Tax Rate	Available Tax Rate
2015	2.500000	0.653377	1.846623
2016	2.500000	0.653377	1.846623
2017	2.500000	0.643377	1.856623
2018	2.500000	0.633377	1.866623
2019	2.500000	0.633377	1.866623
2020	2.500000	0.652034	1.847966
2021	2.500000	0.652034	1.847966
2022	2.500000	0.652034	1.847966
2023	2.500000	0.652034	1.847966
2024	2.500000	0.652034	1.847966

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)

Fiscal Year	Water and Sewer Revenue Bonds					
	Total Revenues <sup>1</sup>	Less: Operating Expenses <sup>2</sup>	Net Available Revenue <sup>3</sup>	Debt Service		Times Coverage
				Principal	Interest	
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
2024	22,160,580	12,064,386	10,096,194	3,682,883	4,175,697	1.28

- Notes:
- 1) Total Revenues does not include non-operating revenues.
  - 2) Operating Expenses only, no transfers or depreciation.
  - 3) Includes Principal and Interest

**CITY OF DENISON, TEXAS**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Estimated Population	Personal Income <sup>1</sup>	Per Capita Income <sup>2</sup>	Median Age <sup>3</sup>	Grade School Enrollment (DISD figures only) <sup>4</sup>	Unemployment Rate <sup>5</sup>
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	40.7	4,582	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%
2024	27,500	930,380,000	33,832	40.6	4,940	3.70%

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)

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**CITY OF DENISON, TEXAS**

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

Name of Employer	2024			2015		
	No. of Employees	Rank	Percentage of Total City Employment	No. of Employees	Rank	Percentage of Total City Employment
Texoma Medical Center	3,500	1	12.73%	2100	1	9.17%
Ruiz Foods	1,000	2	3.64%	1000	4	4.37%
Walmart	900	3	3.27%	-	n/a	0.00%
CIGNA	800	4	2.91%	1000	3	4.37%
Denison Independent School District	722	5	2.63%	624	5	2.72%
Spectrum Brands - Kwikset	320	6	1.16%	250	9	1.09%
Grayson College	312	7	1.13%	230	10	1.00%
City of Denison	303	8	1.10%	310	8	1.35%
Caterpillar Inc	250	9	0.91%	430	6	1.88%
Champion Cooler Corporation	220	10	0.80%	-	n/a	0.00%
Texoma Health Care Systems	-	n/a	0.00%	1375	2	6.00%
Novo 1 Contact Center	-	n/a	0.00%	408	7	1.78%
	<u>8,327</u>		<u>30.28%</u>	<u>7,727</u>		<u>33.73%</u>
	<u>27,500</u>			<u>22,907</u>		

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	Fiscal Year			
	2015	2016	2017	2018
General Government	26	27	27	30
Cemetery	5	5	5	5
Library	12	12	12	14
Municipal Court	3	3	4	4
Police & Communications	58	60	57	58
Fire (& EMS)	31	62	59	61
Emergency Medical Services	31	0	0	0
Animal Control	2	2	2	2
Public Works	51	44	44	43
Parks and Recreation	17	28	28	32
Water and Sewer Systems	<u>55</u>	<u>63</u>	<u>58</u>	<u>56</u>
	<u>292</u>	<u>306</u>	<u>296</u>	<u>305</u>

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.

- \* 2012 - FTE calculations for Fire & EMS employees were changed from the standard 2,080 hours per year to 2,912 hours pursuant to the Fair Labor Standards Act 207k exemption.
- \* 2016 - Fire and Emergency Medical Service Personnel were combined under the same division.
- \* 2016 - Parks Maintenance Division moved from Public Works to Parks & Recreation.

**TABLE 17**

Fiscal Year					
<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
31	31	46	43	50	50
4	4	5	5	5	5
14	14	10	11	11	11
4	4	5	3	3	3
60	60	65	72	72	74
61	61	56	60	63	63
0	0	0	0	0	0
2	3	3	3	3	3
43	43	35	40	41	40
34	34	19	21	22	23
<u>58</u>	<u>58</u>	<u>68</u>	<u>72</u>	<u>75</u>	<u>78</u>
<u>311</u>	<u>312</u>	<u>312</u>	<u>330</u>	<u>345</u>	<u>350</u>

**CITY OF DENISON**

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS  
(UNAUDITED)

Function/Program	Fiscal Year			
	2015	2016	2017	2018
Public Safety				
Municipal Court				
Number of cases filed	5,455	5,852	5,248	3,748
Police				
Physical Arrests	1,873	1,994	1,809	1,197
Traffic Violations <sup>1</sup>	8,978	9,595	8,101	6,752
Fire				
Number of Incidents/Responses <sup>2</sup>	5,150	4,931	5,413	5,557
Animal Control				
Number of calls	3,224	3,612	2,609	2,537
Public Works				
Streets maintained (miles)	172.6	173.2	173.2	174.7
Water and Wastewater				
New connections	38	92	161	177
Annual gallons of water pumped (thousands)	1,660,087	1,641,722	1,476,599	1,687,602
Miles of water mains maintained	219.1	219.1	221.2	223.5

Source:  
City Departments

Notes:

1. FY2013 is the first year that traffic violations include warnings in addition to actual citations.
2. FY2009 is first year that fire engines were sent out with ambulance runs. Beginning with FY2015 totals include both fire and medical responses.

Indicators are not available for the general government function.

**TABLE 18**

Fiscal Year					
2019	2020	2021	2022	2023	2024
3,567	2,779	3,906	4,637	5,030	4,832
848	802	1,411	1,591	1,645	1,831
6,672	7,788	12,801	10,633	11,870	12,558
5,386	5,048	6,040	5,083	4,887	5,681
3,208	2,670	2,256	2,317	2,300	1,542
175.3	175.3	175.3	184.5	194.3	193.8
184	236	200	395	265	267
1,590,020	1,595,928	1,819,915	1,904,940	1,949,830	2,029,670
223.9	228.8	228.8	261.9	268.9	276.8

**CITY OF DENISON**

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS  
(UNAUDITED)

Function/Program	Fiscal Year			
	2015	2016	2017	2018
Public Safety				
Police				
Stations	1	1	1	1
Patrol Units	13	13	13	13
Fire				
Stations	3	3	3	3
Public Works				
Streets (miles)	172.6	173.2	173.2	174.7
Parks and Recreation				
Parks (acreage)	348.2	338.1	338.1	399.99
Number of playgrounds	14	12	13	16
Water and Wastewater				
Water main (miles)	219.1	219.1	221.2	223.5
Sewer mains (miles)	200.0	200.1	200.6	201.9
Storm drainage (miles)	11.8	11.8	12.1	13.1

Source: City departments

**TABLE 19**

Fiscal Year					
2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
15	15	15	15	15	15
3	3	3	3	3	3
175.3	175.3	175.3	184.5	194.3	193.8
565.6	565.6	587.7	587.7	587.7	642.3
16	16	16	16	16	16
223.9	228.8	228.8	261.9	268.9	276.8
202.3	205.7	205.7	206.8	211.6	217.7
13.7	13.7	13.7	14.5	14.5	14.5

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## **CONTINUING DISCLOSURES**

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CITY OF DENISON, TEXAS

VALUATION, EXEMPTIONS, AND GENERAL OBLIGATION DEBT

SEPTEMBER 30, 2024  
(UNAUDITED)

2023-24 Market Valuation Established by Grayson County Appraisal District		\$ 3,510,032,486
Less:		
Productivity Loss	76,547,836	
Homestead Cap	178,111,966	
Exemption AB - Abatement	8,140,769	
Exemption DP - Disabled	2,821,737	
Exemption OV65 - Over 65	38,191,674	
Exemption DV - Disabled Veterans	49,278,047	
Exemption EX - Exempt Property	360,487,938	
Exemption FR	71,925,668	
Exemption CHODO	4,014,567	
Exemption PC	449,184	
Exemption PPV	65,640	
Exemption SO	264,423	
		<u>790,299,449</u>
2023-24 Taxable Assessed Valuation		<u>\$ 2,719,733,037</u>
General Obligation Debt Payable from Ad Valorem Taxes		\$ 184,130,000
Less: Self-supporting Debt ( <i>Combination Tax &amp; Revenue Certificates of Obligation</i> )		<u>180,005,000</u>
Net General Obligation Debt Payable from Ad Valorem Taxes		<u>\$ 4,125,000</u>
General Obligation Interest and Sinking Fund as of September 30, 2024		<u>\$ 3,416,856</u>
Ratio General Obligation Tax Debt to Taxable Assessed Valuation		0.15%
2024 Estimated Population		27,500
Per Capita Taxable Assessed Valuation	\$	98,899
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes	\$	6,696

Source: Grayson County Central Appraisal District - 2024 Certified Totals (As of Certification)

**CITY OF DENISON, TEXAS**

**DEBT TAXABLE ASSESSED VALUATIONS BY CATEGORY**

LAST TEN FISCAL YEARS  
(UNAUDITED)

Category	Estimated Taxable Appraised Value for Fiscal Year Ended September 30,			
	2024		2023	
	Amount	% of Total	Amount	% of Total
Real-Residential Single-Family	\$ 1,917,628,307	47.40%	\$ 1,815,160,243	44.87%
Real-Residential Mobile Home	12,918,804	0.32%	13,968,723	0.35%
Real-Other Improvements	4,225,537	0.10%	4,485,452	0.11%
Real-Residential, Multi-Family	186,599,225	4.61%	171,456,350	4.24%
Real-Vacant Lots/Tracts	101,230,638	2.50%	87,670,711	2.17%
Real-Acreage Farm and Ranch	76,893,985	1.90%	57,260,461	1.42%
Real-Undeveloped Land	32,030,609	0.79%	31,791,739	0.79%
Real-Commercial	812,273,101	20.08%	705,341,878	17.43%
Real-Industrial	74,170,980	1.83%	53,811,889	1.33%
Real and Intangible Personal, Utilities	73,437,438	1.82%	67,706,196	1.67%
Tangible Personal, Commercial	162,873,091	4.03%	165,279,649	4.09%
Tangible Commercial, Industrial	186,026,175	4.60%	178,543,183	4.41%
Tangible Personal, Mobile Homes	814,944	0.02%	693,935	0.02%
Tangible Personal, Other	385,731,330	9.53%	355,781,910	8.79%
Real Property, Inventory	<u>18,817,969</u>	<u>0.47%</u>	<u>27,620,347</u>	<u>0.68%</u>
Total Appraised Value	4,045,672,133	100%	3,736,572,666	92%
Less: Total Exemptions/Reductions	<u>254,659,802</u>		<u>235,704,359</u>	
Taxable Assessed Value	<u>\$ 3,791,012,331</u>		<u>\$ 3,500,868,307</u>	

Category	2019				2018			
	2019		2018		2018		2018	
	Amount	% of Total						
Real-Residential Single-Family	\$ 857,100,275	43.49%	\$ 734,358,391	40.96%	\$ 734,358,391	40.96%	\$ 734,358,391	40.96%
Real-Residential Mobile Home	5,494,764	0.28%	6,280,213	0.35%	6,280,213	0.35%	6,280,213	0.35%
Real-Other Improvements	1,720,187	0.09%	1,540,512	0.09%	1,540,512	0.09%	1,540,512	0.09%
Real-Residential, Multi-Family	40,188,925	2.04%	35,344,836	1.97%	35,344,836	1.97%	35,344,836	1.97%
Real-Vacant Lots/Tracts	37,310,013	1.89%	33,165,813	1.85%	33,165,813	1.85%	33,165,813	1.85%
Real-Acreage Farm and Ranch	22,723,871	1.15%	22,095,042	1.23%	22,095,042	1.23%	22,095,042	1.23%
Real-Undeveloped Land	13,524,591	0.69%	12,479,957	0.70%	12,479,957	0.70%	12,479,957	0.70%
Real-Commercial	425,900,291	21.61%	381,817,579	21.30%	381,817,579	21.30%	381,817,579	21.30%
Real-Industrial	47,668,977	2.42%	51,460,502	2.87%	51,460,502	2.87%	51,460,502	2.87%
Real and Intangible Personal, Utilities	42,870,428	2.18%	39,250,234	2.19%	39,250,234	2.19%	39,250,234	2.19%
Tangible Personal, Commercial	108,174,038	5.49%	99,966,693	5.58%	99,966,693	5.58%	99,966,693	5.58%
Tangible Commercial, Industrial	158,207,243	8.03%	163,816,357	9.14%	163,816,357	9.14%	163,816,357	9.14%
Tangible Personal, Mobile Homes	449,928	0.02%	452,794	0.03%	452,794	0.03%	452,794	0.03%
Tangible Personal, Other	207,200,656	10.51%	205,980,645	11.49%	205,980,645	11.49%	205,980,645	11.49%
Real Property, Inventory	<u>2,473,083</u>	<u>0.13%</u>	<u>4,834,381</u>	<u>0.27%</u>	<u>4,834,381</u>	<u>0.27%</u>	<u>4,834,381</u>	<u>0.27%</u>
Total Appraised Value	1,971,007,270	100.00%	1,792,843,949	100.00%	1,792,843,949	100.00%	1,792,843,949	100.00%
Less: Total Exemptions/Reductions	<u>64,664,017</u>		<u>47,844,376</u>		<u>47,844,376</u>		<u>47,844,376</u>	
Taxable Assessed Value	<u>\$ 1,906,343,253</u>		<u>\$ 1,744,999,573</u>		<u>\$ 1,744,999,573</u>		<u>\$ 1,744,999,573</u>	

Source: Grayson County Central Appraisal District certified taxable assessed values

**TABLE 21**

Estimated Taxable Appraised Value for Fiscal Year Ended September 30,

2022		2021		2020	
Amount	% of Total	Amount	% of Total	Amount	% of Total
\$ 1,522,844,203	37.64%	\$ 1,133,893,145	30.35%	\$ 980,421,588	30.52%
11,527,025	0.28%	7,519,041	0.20%	8,712,362	0.27%
3,724,816	0.09%	2,691,682	0.07%	1,962,181	0.06%
132,057,722	3.26%	92,301,122	2.47%	47,629,635	1.48%
78,749,757	1.95%	54,203,712	1.45%	43,440,787	1.35%
45,486,631	1.12%	29,575,726	0.79%	28,809,461	0.90%
22,207,135	0.55%	20,293,444	0.54%	15,726,129	0.49%
635,489,645	15.71%	528,720,010	14.15%	463,682,675	14.43%
53,403,968	1.32%	52,307,766	1.40%	51,634,507	1.61%
57,715,021	1.43%	50,926,474	1.36%	44,394,936	1.38%
133,916,391	3.31%	124,502,423	3.33%	118,580,027	3.69%
186,565,429	4.61%	156,382,156	4.19%	175,380,263	5.46%
679,317	0.02%	395,099	0.01%	410,071	0.01%
319,978,541	7.91%	241,513,652	6.46%	217,191,078	6.76%
<u>8,248,072</u>	<u>0.20%</u>	<u>7,609,068</u>	<u>0.20%</u>	<u>7,555,120</u>	<u>0.24%</u>
3,212,593,673	79%	2,502,834,520	66.98%	2,205,530,820	68.65%
<u>198,934,492</u>		<u>54,067,910</u>		<u>85,085,553</u>	
<u>\$ 3,013,659,181</u>		<u>\$ 2,448,766,610</u>		<u>\$ 2,120,445,267</u>	
2017		2016		2015	
Amount	% of Total	Amount	% of Total	Amount	% of Total
\$ 667,525,220	39.76%	\$ 587,302,253	37.00%	\$ 566,235,637	37.98%
4,401,753	0.26%	4,029,401	0.25%	3,982,701	0.27%
1,466,787	0.09%	1,336,417	0.08%	1,514,841	0.10%
30,576,020	1.82%	30,076,264	1.89%	31,909,976	2.14%
33,787,863	2.01%	28,284,957	1.78%	28,829,301	1.93%
21,078,706	1.26%	21,390,265	1.35%	21,688,398	1.45%
10,539,000	0.63%	9,711,330	0.61%	8,950,434	0.60%
353,777,915	21.07%	336,482,483	21.20%	312,816,944	20.98%
53,673,514	3.20%	52,798,639	3.33%	38,837,036	2.61%
49,086,040	2.92%	48,097,814	3.03%	44,869,875	3.01%
98,977,449	5.90%	93,540,112	5.89%	94,281,026	6.32%
167,041,409	9.95%	186,369,686	11.74%	165,902,052	11.13%
429,433	0.03%	423,919	0.03%	413,726	0.03%
184,973,399	11.02%	186,363,033	11.74%	169,408,224	11.36%
<u>1,488,297</u>	<u>0.09%</u>	<u>1,143,445</u>	<u>0.07%</u>	<u>1,081,880</u>	<u>0.07%</u>
1,678,822,805	100.00%	1,587,350,018	100.00%	1,490,722,051	100.00%
<u>49,001,553</u>		<u>26,132,144</u>		<u>24,957,931</u>	
<u>\$ 1,629,821,252</u>		<u>\$ 1,561,217,874</u>		<u>\$ 1,465,764,120</u>	

**CITY OF DENISON, TEXAS**

VALUATION AND GENERAL OBLIGATION DEBT HISTORY

AS OF SEPTEMBER 30, 2024  
(UNAUDITED)

Fiscal Year	Estimated Population	Certified Assessed Valuation	Taxable Assessed Valuation Per Capita	Net G.O. Tax Debt Outstanding at End of Year*	Ratio of Net G.O. Tax Debt to Taxable Assessed Valuation	Net G.O. Tax Debt Per Capita
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	8,830,000	0.42%	355
2021	24,479	2,448,766,610	100,035	7,620,000	0.31%	311
2022	25,179	3,013,659,181	119,689	6,485,000	0.22%	258
2023	26,800	3,500,868,307	130,629	6,157,000	0.18%	230
2024	27,500	3,791,012,331	137,855	4,125,000	0.11%	150

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)**

<u>Fiscal Year</u>	<u>Tax Rate</u>	<u>General Fund</u>	<u>Interest and Sinking Fund</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>% of Levy Collected</u>	<u>% of Total Tax Collections to Tax Levy</u>
2015	0.653377	0.569980	0.083397	\$ 7,055,238	\$ 6,927,406	98.19%	99.93%
2016	0.653377	0.575883	0.077494	7,501,037	7,381,352	98.40%	99.92%
2017	0.643377	0.578521	0.064856	8,309,353	8,164,388	98.26%	99.44%
2018	0.633377	0.530791	0.102586	8,688,391	8,542,962	98.33%	99.04%
2019	0.633377	0.521438	0.111939	9,520,568	9,349,717	98.21%	99.34%
2020	0.652034	0.556902	0.095132	10,811,380	10,579,942	97.86%	98.28%
2021	0.652034	0.554667	0.097367	11,774,551	11,739,460	99.70%	99.37%
2022	0.652034	0.554667	0.097367	12,737,290	12,698,522	99.70%	99.33%
2023	0.652034	0.576537	0.075497	15,924,647	15,783,950	99.12%	98.79%
2024	0.652034	0.563104	0.088930	18,192,701	17,787,360	97.77%	97.77%

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

Notes: Years will continue to be added until 10 years of comparison is listed.

**CITY OF DENISON, TEXAS**

INTEREST AND SINKING FUND BUDGET PROJECTION

AS OF SEPTEMBER 30, 2024

(UNAUDITED)

Tax Supported Debt Service Requirements, Fiscal Year Ending September 30, 2024		\$ 3,806,071
Tax Supported Other Fees & Payments		838,702
Interest and Sinking Fund, September 30, 2024	\$ 1,867,737	
Budgeted Interest and Sinking Fund Tax Levy	3,792,648	
Budgeted Interest for Interest and Sinking Fund	<u>60,000</u>	
		<u>5,720,385</u>
Estimated Balance, September 30, 2024		<u>\$ 1,075,612</u>

**CITY OF DENISON, TEXAS**

MUNICIPAL SALES TAX HISTORY

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Economic Development	City of Denison	Total Collected	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
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%	0.544089	266
2017	1,719,068	5,157,204	6,876,272	82.75%	0.532416	291
2018	1,860,956	5,582,867	7,443,823	85.68%	0.542649	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	437
2024	2,786,407	8,359,220	11,145,627	61.26%	0.399464	405

**CITY OF DENISON, TEXAS**

CASH AND INVESTMENTS FOR PRIMARY GOVERNMENT

AS OF SEPTEMBER 30, 2024  
(UNAUDITED)

<u><b>Type of Investment</b></u>		
Cash on Hand	0.01%	\$ 6,625
Savings and Checking Accounts	77.65%	57,913,324
Money Market Accounts	2.02%	1,507,530
Governmental Pool Accounts	19.20%	14,321,113
Certificates of Deposit	<u>1.12%</u>	<u>838,342</u>
	<u>100.00%</u>	<u>\$ 74,586,934</u>

## **SINGLE AUDIT SECTION**

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM  
GUIDANCE**

Honorable Mayor  
and Members of City Council  
Denison, Texas

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Denison, Texas’ (the “City”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended September 30, 2024. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Denison, Texas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

## **Auditor's Responsibilities for the Audit of Compliance**

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
March 17, 2025

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor  
and Members of City Council  
Denison, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Denison, Texas as of and for the year ended September 30, 2024, 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 17, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered City of Denison, Texas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Denison, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Denison, Texas' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002, that we consider to be material weaknesses.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Denison, Texas' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Denison, Texas' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
March 17, 2025

**CITY OF DENISON, TEXAS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through Subrecipients
U.S. Department of Housing and Urban Development				
Direct Programs:				
Community Development Block Grant/Entitlement Grants	14.218	B20MC480026	\$ 5,998	\$ -
Community Development Block Grant/Entitlement Grants	14.218	B20MW480026	112	-
Community Development Block Grant/Entitlement Grants	14.218	B21MC480026	23,327	-
Community Development Block Grant/Entitlement Grants	14.218	B22MC480026	16,678	-
Community Development Block Grant/Entitlement Grants	14.218	B23MC480026	<u>249,663</u>	<u>-</u>
Total Community Development Block Grant - CDBG - Entitlement Grants Cluster			<u>295,778</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>295,778</u>	<u>-</u>
U.S. Department of Justice				
Direct Programs:				
Office of Justice Program Bulletproof Vest Partship Program	16.607	N/A	9,878	-
COPS Hiring Partnership Program	16.710	N/A	<u>165,970</u>	<u>-</u>
Total U.S. Department of Justice			<u>175,848</u>	<u>-</u>
U.S. Department of Treasury				
Direct Program:				
COVID - 19 - Coronavirus State and Local Fiscal Relief Funds	21.027	N/A	<u>2,456,889</u>	<u>-</u>
Total U.S. Department of Treasury			<u>2,456,889</u>	<u>-</u>
Total Federal Expenditures			\$ <u>2,928,515</u>	\$ <u>-</u>

**CITY OF DENISON, TEXAS**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

SEPTEMBER 30, 2024

**Note 1 – General**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Denison, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The City of Denison, Texas' reporting entity is defined in Note I to the City of Denison, Texas' basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

**Note 2 – Indirect Cost Rate**

The City of Denison, Texas has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF DENISON, TEXAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**Summary of Auditor's Results**

Financial Statements:

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? 2024-001; 2024-002

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted?

None

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? None

Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of Uniform Guidance?

None

Identification of major programs:

ALN Number:

21.027

Name of Federal Program:

CSLFRF - Coronavirus state and local fiscal recovery funds

Dollar threshold used to distinguish between type A and type B programs for federal single audit:

\$750,000

Auditee qualified as low-risk auditee for federal single audit?

No

**Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards**

2024-001; 2024-002

**Findings and Questioned Costs for Federal Awards**

None

## CITY OF DENISON, TEXAS

### SUMMARY SCHEDULE OF AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

#### **Finding 2024-001 – Material Weakness**

**Criteria:** U.S. Generally Accepted Accounting Principles (“GAAP”) requires that financial statements be recorded on an accrual basis.

**Condition and Context:** Some accounts required adjustments to be consistent with Generally Accepted Accounting Principles “GAAP”.

**Effect or Potential Effect:** Without adjustment, the City’s financial statements are not in accordance with GAAP.

**Recommendation:** The City should review the existing policies, procedures, and controls over these areas to ensure that all information is recorded and reported properly.

**Management’s response:** Management has reviewed the necessary adjustments and will ensure those adjustments missed are addressed as part of the next year end close process.

#### **Finding 2024-002 – Material Weakness**

**Criteria:** Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. This system ensures the accuracy, completeness, and reliability of the financial statements.

**Condition and Context:** Material revenues were recognized in the financial statements in a prior period. Upon review, these revenues should have been recognized in the current year. This required a restatement of the financial statements to correct the error.

**Effect or Potential Effect:** Beginning governmental activities net position and governmental fund balance were overstated and revenues in the nonmajor governmental funds were understated by \$2,459,889 for the year ended September 30, 2024.

**Recommendation:** Management should perform a year-end review of the grant conditions and awards to ensure that revenue is recognized in the appropriate reporting period.

**Management’s response:** This instance of misapplication of revenue recognition principles initially occurred in fiscal year 2021, the fiscal year in which ARPA funds were first received. The receipt of ARPA funds in 2021 and 2022 were recognized as revenue at the time of receipt, instead of unearned revenue, prior to the spending of said funds. As of September 30, 2024, the ARPA funds have been fully spent and unearned revenue related to ARPA is zero, as it would have been extinguished anyway if proper revenue recognition was followed. This specific finding will not reoccur as the grant is fully spent, and management has taken steps to improve their understanding and application of revenue recognition principles.

**CITY OF DENISON, TEXAS**

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

**Finding 2023-001:**

**Criteria:** U.S. Generally Accepted Accounting Principles ("GAAP") requires that financial statements be recorded on the accrual basis.

**Condition and Context:** Some accounts required adjustments to be consistent with Generally Accepted Accounting Principles "GAAP".

**Cause:** The City accounts for the business-type activity like governmental funds on a modified accrual basis, resulting in the lack of some of the year end accruals and capitalization adjustments.

**Effect or Potential Effect:** Without adjustment, the City's financial statements are not in accordance with GAAP.

**Recommendation:** The City should review the existing policies, procedures, and controls over these areas to ensure that all information is recorded and reported properly.

**Status of Prior Year Finding:** Partially corrected. The City has taken steps toward improving the year end closing process which reduced the number of year end adjustments that were necessary. The City is continuing to train their personnel and improve the year end close process and working toward fully correcting. See the corrective action plan for the current year finding 2024-001.