



ANNUAL COMPREHENSIVE FINANCIAL REPORT 2021

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2021

CITY OF
Denison, Texas

300 W Main Street | Denison, TX 75020
www.cityofdenison.com | 903.465.2720



*ANNUAL COMPREHENSIVE
FINANCIAL REPORT*

of the

City of Denison, Texas

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

Prepared by

Bobby Atteberry
Interim City Manager

Renee' Waggoner
Assistant City Manager

Laurie Alsabbagh
Assistant Director of Finance



City of Denison, Texas

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INTRODUCTORY SECTION



City of Denison

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March 18, 2022

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, 2021, is submitted herewith.

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

BrooksWatson & Co. have issued an unmodified (“clean”) opinion on the City of Denison’s financial statements for the year ended September 30, 2021. 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 35th largest of 254 counties in Texas with a population of just over 135,543. 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 24,479 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.

The Sherman-Denison Metropolitan Statistical Area has been named on Forbes magazine's list of the 100 Best Small Places for Business and Careers in the United States. Given Denison's pro-business attitude, the City continued to move forward in a positive direction during 2021. Denison is clearly focused on the quality of life for all of its residents.

Business Highlights:

- Jake's Place Certificate of Occupancy issued in October 2020. This is a unique food truck park with inside/outside dining and entertainment for the entire family. Jake's Place has up to five food trucks at a time and has live entertainment both inside and outside
- Dermatology Associates, opened their new location at 5130 Pool Road in October 2020
- Mama Qin, Chinese Restaurant at 1525 West Morton opened for business in October 2020
- December of 2020 saw the groundbreaking of Phase II of The Residence at Gateway Village Apartments. This project is four new buildings consisting of 96 units
- Farmers Insurance – The Helm Agency had their ribbon cutting in February 2021
- CJ's Coffee Café and Lettuce Indulge had their ribbon cutting in Gateway Village on March 27, 2021
- Victron Energy's gas station and travel plaza at 4300 North Hwy 91 held their groundbreaking ceremony in March 2021
- Independent Financial broke ground on their new location at the northeast corner of Crawford Street and US 75 in March 2021. Construction is expected to be completed in early 2022
- Dice and Dragons, LLC., a retail store selling board/trading cards received their Certificate of Occupancy for 307 West Main Street in April 2021
- Edward Jones Insurance located at 120 South Burnett Avenue received their Certificate of Occupancy in April 2021
- Blossom Shoppe Gardens & Gifts had their ribbon cutting on April 22, 2021. They have a wide selection of unique gifts, pottery, plants, metal yard decor, trees and shrubs. They are located at 1231 South Armstrong in Denison
- Rise Aviation held their groundbreaking at the North Texas Regional Airport for their new terminal building on May 3, 2021
- Nana's Furniture at 1721 West Morton Street received their Certificate of Occupancy in May 2021
- Frank & Lola's Bohemian Tacos received their Certificate of Occupancy in May 2021
- Texoma Hypnosis opened in June 2021
- Sugar Booger's on Main Street had their ribbon cutting in July 2021
- Craft Pies Pizza Company in Gateway Village has their ribbon cutting in July 2021
- The Red River Railroad Museum held its grand opening for their new facility at 124 W. Main Street in July 2021

- Certificate of Occupancy for Bluebonnet Studio Photography at 4006 Texoma Parkway was issued in August 2021
- The Blonde Bombshell restaurant and bar on Armstrong Avenue had their grand opening in August 2021
- Hey Sugar Candy located at 422 West Main Street opened their doors in September 2021. They feature nostalgic candy, retro sodas and homemade ice cream
- Exbury Garden Assisted Living located at 1001 N Armstrong held their grand opening in September 2021
- Ella Jae Boutique opened their storefront on September 11, 2021
- A new Starbucks was constructed on Regency Lane which opened in September 2021
- Denison Art Gallery at 930 W Main had their ribbon cutting in October 2021
- Chick-Fil-A will begin construction at the corner of FM 120 & Layne Drive in early 2022
- Parish 1807 Grill which will open in the Katy Depot to have their grand opening in early 2022

Other Highlights:

- Marketing and Tourism staff hosted 2 back-to-back strategic planning sessions for the Tourism 5-Year Strategic Plan development in October 2020. Parks & Recreation and Main Street staff joined along with the Convention and Visitor's Bureau Advisory Board Members to help identify goals to move the Tourism program forward and maximize the benefit for Denison's businesses and residents. The goal is to work with stakeholders to develop a clear and common vision for the future of Denison Tourism.
- #DenisonStrong – October 2020 marked one year since a devastating fire struck the 300 block of West Main Street which destroyed three buildings in our historic downtown. Despite the loss of the irreplaceable historic buildings and the destruction of the homes and businesses inside them, the event helped solidify our community's strength and resilience. Recovery efforts continue to move forward with individual property owners.
- The City of Denison began developing a Parks and Trails Master Plan to help guide the future development of parks and trails throughout the City. The Parks and Trail Master Plan Committee had their inaugural meeting in October 2020. The Committee is made up of staff, Council Members, Parks and Recreation Advisory Commissioners, recreation program participants, and other residents representing a variety of community perspectives.
- Marketing and Tourism staff debuted their Cycle Denison marketing video in October 2020. Highlighting Main Street, Waterloo Lake Regional Park, and Eisenhower State Park, the piece tells viewers the story of a day spent on two wheels right here in Denison.
- 2020 Great American Main Street Awards. Downtown Denison was one of eight nationwide semifinalists for the 2020 Great American Main Street Award, or GAMSA. Main Street America, who awards the coveted annual GAMSA title and distinction, posted a highlight of Denison on their blog showcasing our staff and communities' efforts to keep Main Street Moving Forward.
- Neighborhood Revitalization Project. In November 2020 crews from Code Compliance, Public Works, Parks & Recreation and Community Engagement hosted the City of Denison's 2nd Neighborhood Revitalization Project of the year. The November project included the 900 to 1000 blocks of West Rice, Collins Baker and Star, and the 2400 to 2700 blocks of South College and Railroad. Crews removed unwanted materials, brush, limbs, and other bulk items from outside

homes. They also trimmed overgrowth, trees, cut grass and more for residents who requested assistance.

- The Texoma Health Foundation or THF, Park was voted 1st place for Best Park in the 2020 Best of Texoma Awards in November 2020. In addition to the beautiful sport and wellness facilities, THF Park is home to youth and adult sports, special events, outdoor exercise equipment, accessible fitness trails, splash pad, all-inclusive playground equipment and more.
- CARES Act Funding. The City was allotted approximately \$1.4 million by the State of Texas as part of the Coronavirus Aid, Relief, and Economic Security Act passed by Congress in March of 2020. CARES funding has been used to install touchless doors at the SNAP Center, fund the Individual and Family Assistance Program which provided assistance to residents experiencing economic hardship due to COVID-19, install a UV sanitation system at Waterloo Pool, purchase PPE and sanitizing supplies, and more.
- Heritage Park Ownership. In November 2020, downtown Denison Inc., or DDI formally transferred ownership for Heritage Park to the City of Denison. Park improvements are planned and significant investment in the park will be made as part of the D3 project moving forward. The transfer of ownership has been several years in the making and is a testament to the partnership between DDI and the City.
- Music Friendly Designation. On December 15, 2020, Governor Greg Abbot announced that Denison had become the 16th community in Texas to receive the Music Friendly Designation. The multi-step certification process is overseen by the Texas Music Office and showed that Denison prioritizes the Texas Music Industry by celebrating, promoting and attracting music related professionals and businesses. Other Music Friendly cities include Austin, Fort Worth, Denton, and San Antonio.
- Parks & Recreation staff worked with Meals on Wheels of Denison, or MOW, to purchase and install a custom walk-in freezer at the SNAP Center. The freezer, measuring 11 feet by 5 feet by 7 feet, replaces several residential freezers. The upgrade will save MOW costs related to repair and maintenance of the older freezers and the new commercial grade system will use only a fraction of the energy previously needed. The additional storage capacity enables MOW to accept larger donations of foods suitable for freezing, such as meats and other proteins. With the inconsistencies in the food supply chain due to COVID-19, MOW is now able to purchase and store fresh food items suitable for freezing as they become available.
- Denison Rental Assistance program. In January of 2021, the City of Denison applied for and received approximately \$150,000 in Texas Emergency Rental Assistance Program (TERAP) funds from the Texas Department of Housing and Community Affairs (TDHCA) as part of the Community Development Block Grant (CDBG) program. TERAP provided rental assistance to income-eligible households and families impacted by COVID-19 to help them stay housed during the pandemic. The program was a huge success, and the City distributed all available rental assistance funds. Twenty-seven Denison households were provided for through the program.
- Severe Weather and Power Grid Failure Response. Team Denison worked around the clock to prepare for and respond to the severe weather in February 2021. The power grid failure exacerbated the already devastating effects of a winter storm with record breaking low temperatures, which dropped below zero and remained there for nearly a week. The combination resulted in a loss of pressure at the water treatment facility, causing periods of low pressure, no water service, and a boil water notice. At one point, 8.7 million Texans were under a boil water notice, due almost entirely to the loss of power. Over 122 water meter leaks and over

82 main breaks were repaired by team members working 24 hours a day to restore water to residents. City Council members, City staff, and volunteers distributed over 2,222 cases of water, or over 37 pallets, to residents and neighbors.

- City of Denison officially annexed Loy Lake Park in April 2021. The annexation came nearly four months after Grayson County transferred the park from county to city ownership in an effort to make best use of the 200-acre site. The park was originally built in the 1930s through the Civilian Conservation Corps as a part of New Deal work programs. In the years since, the park has become the home for the Grayson County Frontier Village and Texoma Exposition & Livestock Show, among other uses.
- Historic Iron Ore Cemetery. The Parks & Recreation Cemetery team completed preservation of Iron Ore Creek Cemetery in May of 2021. Staff cleared dense overgrowth, removed trees and stumps, identified potential burial markers, mounted displaced markers, filled in sloped areas, and created and installed an entrance sign. The earliest known burial dates to 1882 with the last recorded in 1922 and 1940. The cemetery was historically used by the African American community in the area. The cemetery lay forgotten for many years until development of the surrounding parcels of property unveiled the sacred place. Residents now have an opportunity to visit a remarkable historical landmark. Council member Obie Greenleaf was very instrumental in moving this project forward.
- Film Friendly Texas Designation. Governor Greg Abbot announced in May 2021 that Denison was the most recent addition to the “Film Friendly Texas” community. The Film Friendly designation has been awarded to over 150 cities in the state who have received and committed to ongoing certification from the Texas Film Commission. The goals of the Governor’s Texas Film Commission are to make Texas the premier destination for media production, including television, movies, video games, and other types of filmed media. The Film Friendly designation is a way to partner with local communities to help move this goal forward.
- Waterloo Lake Fountain Installation. After many years of being out of commission, the water fountain at Waterloo Lake made its return in June 2021. The pump was recently rebuilt by staff at the Randell Lake Water Treatment Plant. Denison Fire Rescue and Denison Police Department dive teams partnered up to reinstall the repaired fountain.
- American Rescue Plan Act Funding. The American Rescue Plan Act is an economic stimulus bill passed by Congress. The City was allocated \$7,326,612 of which \$3,663,306 was received in June 2021. A restricted fund was set up to ensure compliance with eligibility requirements set forth by Congress and direction from the City Council. Eligible expenses for these funds are Water/Sewer Infrastructure Capital projects, Public Health & Public Safety Capital projects and Revenue Recovery.
- Johns Manville Property Closing. June 2021, the Denison Development Alliance (DDA) closed on the 400-acre property formerly known as the Johns Manville manufacturing facility. The closing comes after 30 plus years of negotiations with the previous owner of the property, JM Eagle. DDA, on behalf of City of Denison leadership, has been the driving force behind the project for the past 21 years. Once removal of the existing buildings and asbestos contamination projects are completed, about 200 acres of the property will be developable. The strategic location of the site just south of the Red River on U.S. Highway 75, make it a prime site for development.
- Echo, the Denison Police Department's new K9 unit, was sworn into service at the City Council meeting on June 7, 2021. Echo is a two-year-old Belgian Malinois imported from Holland that understands commands in both German and Dutch. He is trained in building searches and

tracking, but his main duty will be narcotics detection. Echo was imported to San Antonio, Texas where he received four additional weeks of training before being transferred to Denison. Echo was purchased with funds raised by the Denison Rotary Club, Denison schools, and the Citizen's Police Academy.

- A total of 162 new single-family housing permits and 66 new duplex housing permits were issued from October 2020 to September 2021.

MAJOR INITIATIVES

- Designing Downtown Denison, or D3 Phase 1 groundbreaking was held January 26, 2021 at the Katy Depot.
- Work began on the installation of a new waterline on FM 1417 running from Driggs Drive to the Caterpillar facility. The project involves the construction of approximately 5900 linear feet of 12-inch diameter PVC waterline and 70 linear feet of 6-inch diameter PVC water line. The project also includes approximately 170 linear feet of 12-inch diameter PVC water line within 20-inch steel casing by bore with associated appurtenances. Lastly, the project includes the installation of a pressure reducing valve within a concrete value. Phase 1 of the project was completed in March 2021.
- In December 2020 City Council established two new Tax Increment Reinvestment Zones, or TIRZ, in Denison. TIRZ #4 encompasses about 603 parcels of land in the Loy Lake area and TIRZ #5 includes about 2,010 parcels of land in the Waterloo Lake area.
- Flora Lane Reconstruction. The reconstruction of Flora Lane from Lum Lane to Imperial Drive was completed in Spring of 2021. The project involved the demolition and construction of approximately 4,900 square yards of paving and 2,400 linear feet of 4' & 5' wide sidewalks. The utility construction for this project consisted of approximately 1,475 linear feet of 8-inch diameter water line, 1,324 linear feet of 8-inch diameter sanitary sewer line, and 625 linear feet of storm sewer line along with 60 linear feet of 2 – 7' x 3' box culverts.
- Katy Trail Construction. Phase I of the Katy Trail construction began in January 2020. The first phase stretches for about one mile from Day Street to Loy Lake Road with connections in Waterloo Lake Park. The trail is a continuous 12' wide concrete trail with respite areas that contain benches, water fountains and bike racks. Since this is an abandoned railroad, it is set in a nature setting with wooded areas on both sides of the trail. The team anticipates the project to be completed in November 2021.
- The Iron Ore Interceptor capital improvement project was put into service in March 2021. This improvement began at Spur 503 and ends at the Iron Ore Lift Station resulting in 11,920 feet of new 30-inch gravity sewer line. The Interceptor project will reduce inflow and infiltration, allow for more capacity for new development, minimize non-compliance and save on operation and maintenance costs.
- Katy Trail Loy Lake Bridge Installation. The Katy Trail walking bridge that spans Loy Lake Road was installed on April 8, 2021. The underside of the bridge supports a waterline serving the TMC area.
- Waterloo Lake Regional Park Trail Upgrades. The new trail enhancements at Waterloo Lake Regional Park were completed at the end of April 2021. Enhancements include a 12-foot-wide concrete shared use path which is a milestone for inclusivity and access at the park. The concrete path runs along the northern border of the lake and includes an ADA accessible trailhead at the

parking lot. More visitors than ever now have the opportunity to trek along the border of the lake and be immersed in the natural beauty Waterloo Lake offers.

- Loy Lake Road Reconstruction. Construction is expected to begin in December 2021. The reconstruction will replace water, sewer and storm drains, add a sidewalk, and rebuild the street from Highway 75 to O'Dell.

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 the 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 Assistant 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>
2016-2017	\$0.643377	1,325,736,786	8,183,283
2017-2018	\$0.633377	1,429,444,394	8,552,059
2018-2019	\$0.633377	1,573,456,675	9,354,694
2019-2020	\$0.652034	1,754,054,513	10,589,079
2020-2021	\$0.652034	1,908,178,096	11,544,648

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, 2020. This was the tenth 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

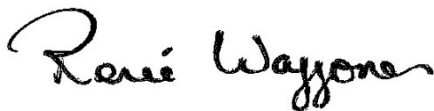
Many persons are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Division who were instrumental in the successful completion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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Denison
Texas**

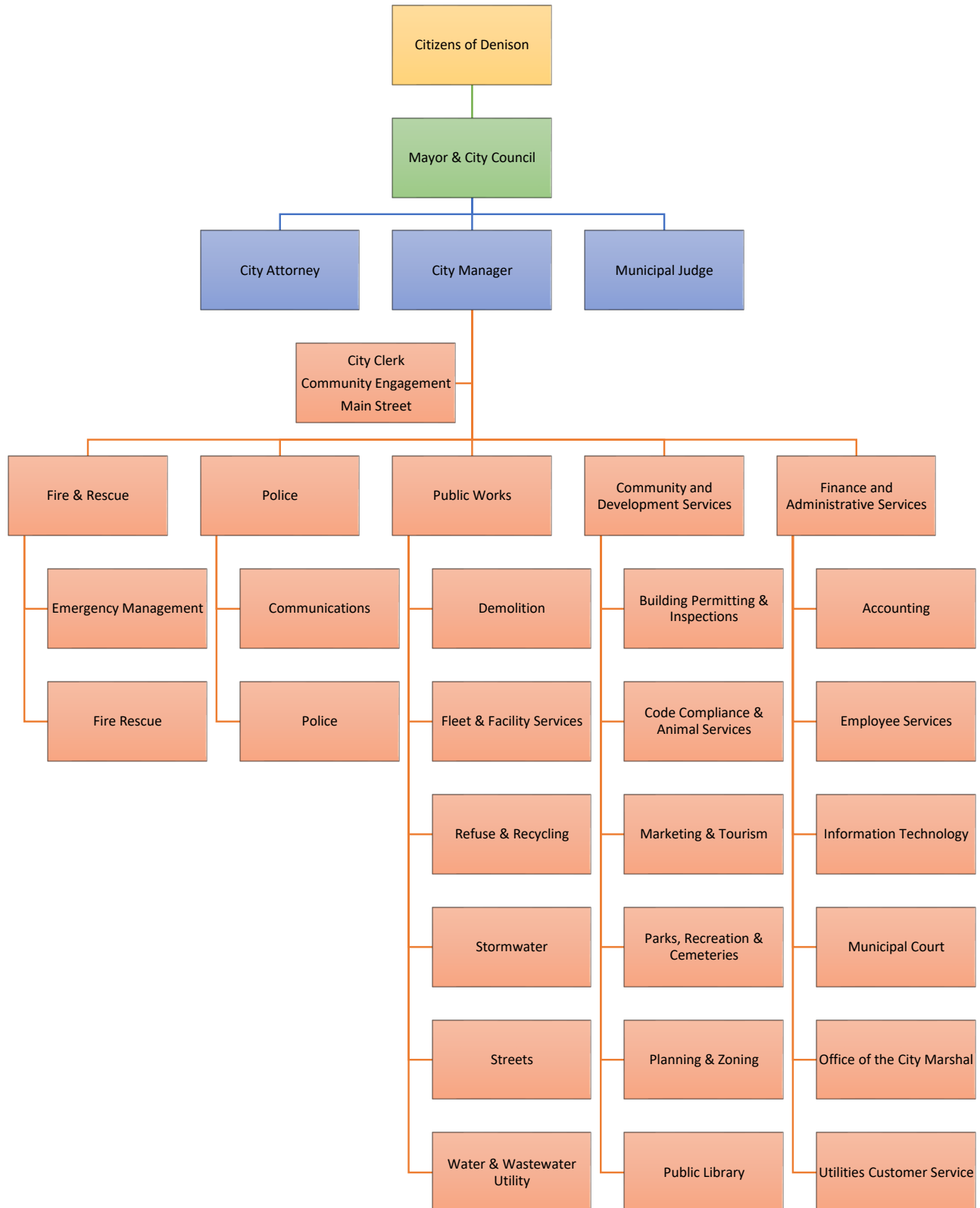
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

City of Denison 2020/2021 Budget Organizational Chart



City of Denison, Texas
ELECTED AND APPOINTED OFFICIALS
September 30, 2021

City Council

Janet Gott	Mayor
Michael Courtright	Council Member Place 1
James Thorne	Council Member Place 2
J.C. Doty	Council Member Place 3
Robert Crawley	Council Member Place 4
Kris Spiegel	Council Member Place 5
Brian Hander	Council Member Place 6/Mayor Pro Tem

Appointed Officials

Greg Smith	City Manager
Renee' Waggoner	Assistant City Manager
Michael Gudgel	Police Chief
Kenneth Jacks	Interim Fire Chief
Christine Wallentine	Assistant to the City Manager/City Clerk
Carrie Jones	Public Works Director



FINANCIAL SECTION





BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 79%, 78%, and 93%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Denison Business and Industrial Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Accounting Errors

As discussed in Note V.J to the financial statements, the City restated the beginning net position, and the respective fund balances, within government activities, business-type activities, the general fund, and utility fund to properly reflect corrections of accounting errors in the prior year. Our opinion is not modified with respect to this matter.

Component Unit Yearend

As discussed in Note I.B to the financial statements, the discretely presented component unit, Denison Community Investment Corporation, maintains financial records ending December 31, 2020.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion, general fund budgetary comparison information, schedule of changes in net pension liabilities and related ratios, and schedule of employer contributions to the pension plans, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

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

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



City of Denison, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2021

The purpose of the Management's Discussion and Analysis (the "MD&A") is to give the readers an objective and easily readable analysis of the City of Denison's financial activities for the year ending September 30, 2021. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current-year results with those of the prior year, and discusses the positive and negative aspects of that comparison. GASB Statement No. 34 establishes the content of the minimum requirements for the MD&A. Please read the MD&A in conjunction with the City's financial statements, which follow this section.

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

Financial Highlights

- The City's total combined net position was \$75,063,489 at September 30, 2021. Of this, \$8,057,738 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$35,481,234, an increase of \$17,576,753. This increase is primarily due to bond and lease issuances in the current year.
- As of the end of the year, the unassigned fund balance of the general fund was \$8,101,334 or 29% of total general fund expenditures.
- The City had an overall increase in net position of \$10,736,779.
- The City's net pension liabilities totaled \$6,802,123 as of year end.

Overview of Financial Statements

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

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2021

Government-Wide Statements

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2021

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

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

The City of Denison maintains twenty-nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund, and the aggregate nonmajor funds.

The City of Denison adopts an annual appropriated budget for its general, general bonds, debt service, special revenue, and utility funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

Proprietary Funds

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water distribution, wastewater collection/treatment, and water construction operations. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

Fiduciary Funds

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

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

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

Notes to Financial Statements

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

Other Information

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Denison, assets and deferred outflows exceed liabilities and deferred inflows by \$75,063,489 as of September 30, 2021, in the primary government.

The largest portion of the City's net position, \$59,911,818, 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 most significant change in primary government activities resulted in a significant increase in cash on hand and long-term liabilities. This increase is a result of the upsent proceeds received from new bond issuances in the current year.

Primary government activities experienced an increase in capital assets primarily due to new investments in utility infrastructure, and street improvements.

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 38,403,201	\$ 23,692,733	\$ 62,095,934	\$ 20,980,327	\$ 16,174,099	\$ 37,154,426
Capital assets	59,286,865	59,534,626	118,821,491	54,354,313	53,462,479	107,816,792
Other long-term assets	2,380,557	-	2,380,557	4,301,840	-	4,301,840
Total Assets	100,070,623	83,227,359	183,297,982	79,636,480	69,636,578	149,273,058
Deferred Outflows of Resources	1,676,164	313,772	1,989,936	1,449,656	350,116	1,799,772
Other liabilities	7,448,745	4,627,599	12,076,344	7,332,143	5,221,978	12,554,121
Long-term liabilities	43,023,041	50,961,949	93,984,990	31,262,239	38,124,100	69,386,339
Total Liabilities	50,471,786	55,589,548	106,061,334	38,594,382	43,346,078	81,940,460
Deferred Inflows of Resources	3,683,186	479,909	4,163,095	4,270,791	534,869	4,805,660
Net Position:						
Net investment in capital assets	40,778,772	19,133,046	59,911,818	38,828,612	21,327,908	60,156,520
Restricted	7,093,933	-	7,093,933	1,305,137	-	1,305,137
Unrestricted	(280,890)	8,338,628	8,057,738	(1,912,786)	4,777,839	2,865,053
Total Net Position	\$ 47,591,815	\$ 27,471,674	\$ 75,063,489	\$ 38,220,963	\$ 26,105,747	\$ 64,326,710

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

Statement of Activities:

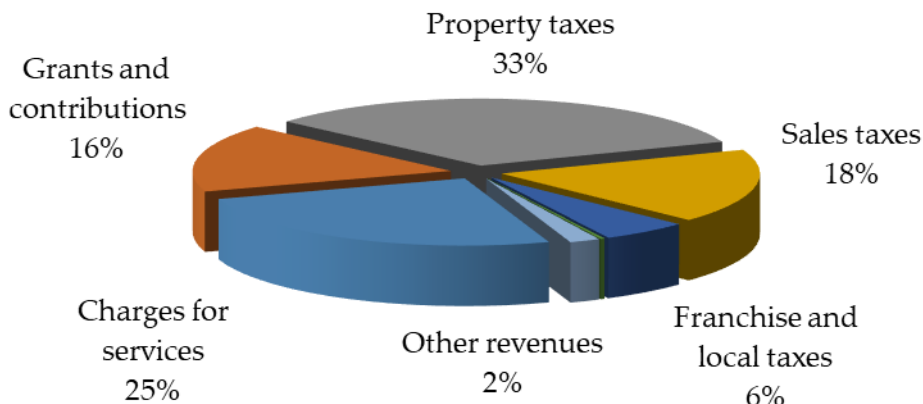
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2021			For the Year Ended September 30, 2020		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 9,450,464	\$ 14,518,795	\$ 23,969,259	\$ 8,504,491	\$ 13,736,756	\$ 22,241,247
Grants and contributions	6,173,336	-	6,173,336	1,668,713	25,375	1,694,088
General revenues:						
Property taxes	12,248,777	-	12,248,777	11,069,151	-	11,069,151
Sales taxes	6,686,699	-	6,686,699	6,112,237	-	6,112,237
Franchise and local taxes	2,032,350	-	2,032,350	1,760,562	-	1,760,562
Investment income	95,150	33,938	129,088	126,053	139,798	265,851
Other revenues	712,483	-	712,483	719,271	-	719,271
Total Revenues	37,399,259	14,552,733	51,951,992	29,960,478	13,901,929	43,862,407
Expenses						
General government	4,690,211	-	4,690,211	4,979,074	-	4,979,074
Public safety	11,977,539	-	11,977,539	11,807,727	-	11,807,727
Community services	6,532,744	-	6,532,744	6,396,781	-	6,396,781
Public works	6,101,920	-	6,101,920	5,903,984	-	5,903,984
Interest and fiscal charges	1,030,163	1,425,075	2,455,238	651,586	1,152,784	1,804,370
Water & sewer	-	9,457,561	9,457,561	-	9,012,065	9,012,065
Total Expenses	30,332,577	10,882,636	41,215,213	29,739,152	10,164,849	39,904,001
Change in Net Position						
Before Transfers	7,066,682	3,670,097	10,736,779	221,326	3,737,080	3,958,406
Transfers	2,304,170	(2,304,170)	-	2,070,316	(2,070,316)	-
Total	2,304,170	(2,304,170)	-	2,070,316	(2,070,316)	-
Change in Net Position	9,370,852	1,365,927	10,736,779	2,291,642	1,666,764	3,958,406
Beginning Net Position	38,220,963	26,105,747	64,326,710	35,929,321	24,438,983	60,368,304
Ending Net Position	\$ 47,591,815	\$ 27,471,674	\$ 75,063,489	\$ 38,220,963	\$ 26,105,747	\$ 64,326,710

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

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

Governmental Activities - Revenues

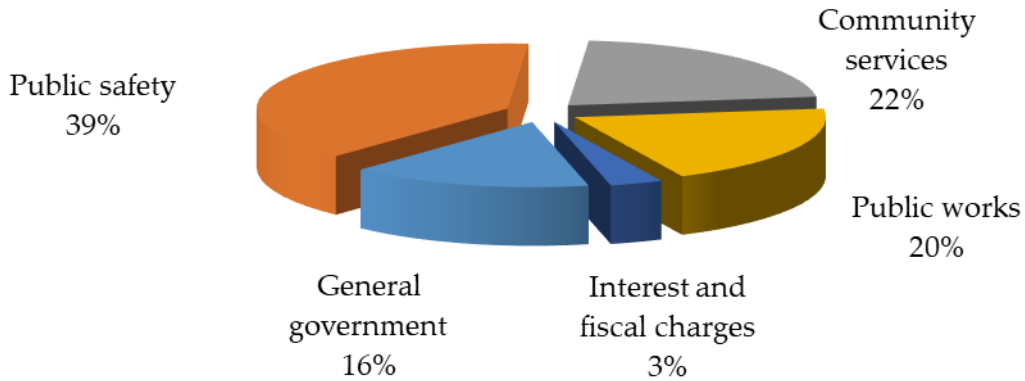


For the year ended September 30, 2021, revenues from governmental activities totaled \$37,399,259. Charges for services, property tax, and sales tax are the City's largest revenue sources. Charges for services increased by \$945,973 or 11%, which was comprised an increase in fines and forfeitures, park fees, and license and permits when compared to the previous year. Grants and contributions increased by \$4,504,623 due primarily to nonrecurring federal grant funding received in the current year related to the American Rescue Plan Act. Property taxes increased by \$1,179,626 or 11% due to an increase in assessed property values. Sales taxes increased by \$574,462 or 9% due to growth and development within the City fueled by local purchases. Franchise and local taxes increased by \$271,788 or 15% primarily due to greater franchise fees received through Atmos Energy and increased hotel/motel taxes, as a direct result of more travel to the City compared to the previous year. Investment income decreased \$30,903 or 25% due to the realization of lower interest rates during the year. All other revenues remained relatively consistent with the prior year.

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

This graph shows the governmental function expenses of the City:

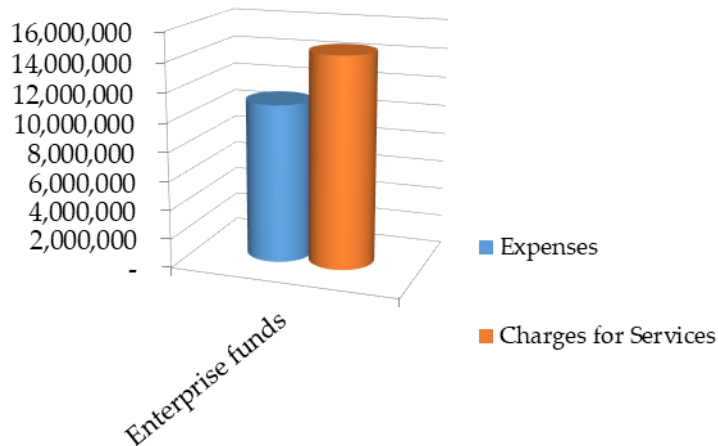
Governmental Activities - Expenses



For the year ended September 30, 2021, expenses for governmental activities totaled \$30,332,577. This represents an increase of \$593,425 or 2% from the prior year. The City's largest functional expense is public safety of \$11,977,539. Public safety increased by \$169,812 or 1%, which is considered relatively consistent. General government expenses decreased by \$288,863 or 6% primarily due to nonrecurring IT maintenance and telecommunication expenses in the prior year. Public works expenses increased by \$197,936 or 3% as a result of added non-capital street maintenance projects during the year. Interest and fiscal charges increased by \$378,577 or 58% primarily due to greater interest payments resulting from new debt issuances and nonrecurring bond issuance costs recognized in the current year. All other expenses remained relatively consistent with the previous year.

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

Business-Type Activities - Revenues and Expenses



City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2021

For the year ended September 30, 2021, charges for services by business-type activities totaled \$14,518,795. This is an increase of \$782,039 or 6%, from the previous year. The increase is primarily a result of an average service rate increase of 5% compared to the prior year. In addition, water and sewer consumption steadily increased over the course of the year.

Total expenses increased by \$717,787 or 7% compared to the prior year. Interest and fiscal charges increased primarily as a result of greater interest payments resulting from new debt issuances and nonrecurring bond issuance costs recognized in the current year. Utility service expenses increase due to greater chemical supplies expenses and electricity costs. In addition, the City incurred nonrecurring temporary labor costs and equipment maintenance expenses in the current year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of the end of the year the general fund reflected a total fund balance of \$9,875,904. Of this, \$91,629 is non-spendable inventories, \$301,800 is non-spendable prepaid items, \$74,979 is non-spendable advances, \$4,350 is committed to cemetery, \$182,137 is committed for contingency, \$19,675 is committed to vehicle replacement and \$1,100,000 is restricted for capital improvements. Unassigned fund balance totaled \$8,101,334 as of year end.

General fund balance increase by \$3,303,574 primarily due to receiving greater property tax and intergovernmental revenues than anticipated. In addition, the City incurred significantly less expenditures than what was appropriated. Property tax increased by \$608,585 when compared to the prior year due to greater assessed property values. Intergovernmental revenues increased by \$1,565,474 due to nonrecurring federal grants for COVID-19 relief.

The general bond fund reflected a total fund balance of \$11,263,572, an increase of \$9,758,314. The increase is primarily a result of new bond proceeds and those funds not yet being fully utilized.

The street improvement fund reflected a total fund balance of \$6,857,175, a decrease of \$573,042 from the prior year. The decrease is in line with expectations to utilize funds for ongoing capital outlay expenditures.

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

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a total positive budget variance of \$7,443,852 in the general fund. This is a combination of a positive revenue variance of \$4,697,274, a positive expenditure variance \$2,603,217, and positive variance in other financing sources of \$143,361.

The original general fund budget surplus of \$13,153 was amended during the year to a final budgeted deficit of \$4,140,278. Budgeted revenues were reduced by \$2,769,885, primarily to adjust property tax revenues. Significant amendments made to expenditures included a decrease in city manager and administration department expenses, and an increase in public safety, parks and recreation, and public works expenses to budget for changes in maintenance projects, operating lease agreements and contractual labor. Several other reclassifications and amendments were also made.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$59,286,865 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 \$59,534,626 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Purchased three new mowers totaling \$31,050.
- Purchase of new fire equipment totaling \$1,299,079.
- Purchase of new dumpsters totaling \$76,188.
- Construction in progress for street improvements at the Duck Creek Lift Station totaling \$38,838.
- Construction in progress for street improvements at the Iron Ore Lift Station totaling \$20,200.
- Construction in progress for street improvements on Flora Lane totaling \$1,151,562.
- Construction in progress addition of \$1,003,580 for new NTRA water tank.
- Construction in progress improvements for Theresa water line totaling \$1,986,682.
- D3 utility project improvements for \$4,804,629.
- Iron Ore Creek interceptor improvements for \$1,111,949.
- Park maintenance at Heritage Park totaled \$79,763.
- Purchased a chlorination system for \$37,295.
- Purchased land at the Loy Lake reservoir totaling \$1,549,569.

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

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2021

LONG-TERM DEBT

At the end of the current year, the City had total bonds, notes payable, tax notes, and capital leases outstanding of \$85,779,130. During the year, the City made payments on long-term debt totaling \$5,507,894. Additions to long-term debt include certificates of obligation totaling \$12,295,000 in governmental activities and certificates of obligation totaling \$14,010,000 in business-type activities. During the year, the City entered into a capital lease agreement for \$1,100,000 to finance IT equipment. More detailed information about the City's long-term liabilities is presented in note IV. G to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

The following known factors were considered in preparing the City's operating budget for fiscal year 2021-2022:

- This budget will raise more revenue from total property taxes than last year's budget by an amount of \$380,440 (3.7% increase). The property tax revenue to be raised from new property added to the tax roll this year is \$450,351.
- The adopted property tax rate for fiscal year 2021-2022 has remained at \$0.652034 per \$100 valuation.
- Sales tax receipts were up in fiscal year 2021, and we expect an increase in fiscal year 2022 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 Director of Finance & Administrative Services, 300 West Main Street, P.O. Box 347, Denison, Texas 75021.



FINANCIAL STATEMENTS

City of Denison, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 28,820,029	\$ 19,123,975	\$ 47,944,004	\$ 4,795,271
Investments	520,000	402,999	922,999	384,592
Restricted assets - cash	4,624,456	1,945,867	6,570,323	23,418
Restricted assets - investments	-	-	-	836,099
Receivables, net	2,982,053	2,057,194	5,039,247	442,109
Inventory	91,629	162,698	254,327	-
Prepaid items	301,800	-	301,800	1,330
Current portion of grant receivables	793,519	-	793,519	-
Notes receivable	-	-	-	142,313
Interest in net position of recipient	269,715	-	269,715	-
Total Current Assets	38,403,201	23,692,733	62,095,934	6,625,132
Notes receivable - long-term portion	-	-	-	1,005,705
Long-term grant receivables	2,380,557	-	2,380,557	-
Capital assets:				
Non-depreciable	9,492,843	15,612,947	25,105,790	1,699,343
Net depreciable capital assets	49,794,022	43,921,679	93,715,701	2,861,008
Total Noncurrent Assets	61,667,422	59,534,626	121,202,048	5,566,056
Total Assets	100,070,623	83,227,359	183,297,982	12,191,188
Deferred Outflows of Resources				
Pension contributions	1,286,232	250,873	1,537,105	-
Pension changes in assumptions	389,932	30,181	420,113	-
Deferred charge on bond refunding	-	32,718	32,718	-
Total Deferred Outflows of Resources	1,676,164	313,772	1,989,936	-

City of Denison, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<u>Liabilities</u>				
Accounts payable and accrued liabilities	1,436,877	840,758	2,277,635	205,269
Customer deposits	-	466,240	466,240	-
Escrow payable	-	-	-	23,418
Accrued interest payable	306,756	300,662	607,418	1,430
Compensated absences - current	2,568,722	342,671	2,911,393	8,954
Landfill post closure costs - current	27,696	-	27,696	-
Long-term debt due within one year	3,108,694	2,677,268	5,785,962	72,000
Total Current Liabilities	7,448,745	4,627,599	12,076,344	311,071
Noncurrent liabilities:				
Net pension liabilities	6,309,488	492,635	6,802,123	-
Compensated absences - noncurrent	285,413	38,075	323,488	80,590
Long-term debt due in more than one year	36,428,140	50,431,239	86,859,379	229,000
Total Noncurrent Liabilities	43,023,041	50,961,949	93,984,990	309,590
Total Liabilities	50,471,786	55,589,548	106,061,334	620,661
<u>Deferred Inflows of Resources</u>				
Pension difference in experience	747,444	37,346	784,790	-
Pension investment earnings	2,935,742	442,563	3,378,305	-
Total Deferred Inflows of Resources	3,683,186	479,909	4,163,095	-
<u>Net Position</u>				
Net investment in capital assets	40,778,772	19,133,046	59,911,818	4,259,351
Restricted for:				
Capital improvements	1,105,510	-	1,105,510	-
Debt service	1,409,597	-	1,409,597	13,259
Municipal court	60,828	-	60,828	-
Public safety	101,523	-	101,523	-
Library	746,580	-	746,580	-
Federal relief grants	3,669,895	-	3,669,895	-
Unrestricted	(280,890)	8,338,628	8,057,738	7,297,917
Total Net Position	\$ 47,591,815	\$ 27,471,674	\$ 75,063,489	\$ 11,570,527

See Notes to Financial Statements.

City of Denison, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 4,690,211	\$ 310,850	\$ 295,818	\$ -
Public safety	11,977,539	1,200,216	-	-
Community services	6,532,744	2,118,081	105,671	1,597,569
Public works	6,101,920	5,821,317	510,972	3,663,306
Interest and fiscal charges	1,030,163	-	-	-
Total Governmental Activities	<u>30,332,577</u>	<u>9,450,464</u>	<u>912,461</u>	<u>5,260,875</u>
Business-Type Activities				
Water & Sewer	10,882,636	14,518,795	-	-
Total Business-Type Activities	<u>10,882,636</u>	<u>14,518,795</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 41,215,213</u>	<u>\$ 23,969,259</u>	<u>\$ 912,461</u>	<u>\$ 5,260,875</u>
Component units:				
Business and Industrial Corporation	1,336,162	491,295	-	6,664
Denison Public Library Endowment Fund	63,952	-	9,875	-
Denison Community Investment Corp.	22,373	-	-	-
Total Component Units	<u>\$ 1,422,487</u>	<u>\$ 491,295</u>	<u>\$ 9,875</u>	<u>\$ 6,664</u>

General Revenues:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (4,083,543)	\$ -	\$ (4,083,543)	\$ -
(10,777,323)	-	(10,777,323)	-
(2,711,423)	-	(2,711,423)	-
3,893,675	-	3,893,675	-
(1,030,163)	-	(1,030,163)	-
<u>(14,708,777)</u>	<u>-</u>	<u>(14,708,777)</u>	<u>-</u>
-	3,636,159	3,636,159	-
-	3,636,159	3,636,159	-
<u>\$ (14,708,777)</u>	<u>\$ 3,636,159</u>	<u>\$ (11,072,618)</u>	<u>\$ -</u>
-	-	-	(838,203)
-	-	-	(54,077)
-	-	-	(22,373)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (914,653)</u>
12,248,777	-	12,248,777	-
6,686,699	-	6,686,699	2,228,656
2,032,350	-	2,032,350	-
95,150	33,938	129,088	55,888
712,483	-	712,483	163,450
2,304,170	(2,304,170)	-	-
<u>24,079,629</u>	<u>(2,270,232)</u>	<u>21,809,397</u>	<u>2,447,994</u>
9,370,852	1,365,927	10,736,779	1,533,341
38,220,963	26,105,747	64,326,710	10,037,186
<u>\$ 47,591,815</u>	<u>\$ 27,471,674</u>	<u>\$ 75,063,489</u>	<u>\$ 11,570,527</u>

City of Denison, Texas

BALANCE SHEET (Page 1 of 2)

GOVERNMENTAL FUNDS

September 30, 2021

	General	General Bond	Street Improvement
<u>Assets</u>			
Cash and cash equivalents	\$ 6,848,245	\$ 10,000,734	\$ 6,002,037
Investments	400,000	-	-
Restricted assets - cash	1,100,000	1,396,503	855,138
Receivables, net	5,977,176	-	-
Due from other funds	6,934	-	-
Inventory	91,629	-	-
Prepaid items	301,800	-	-
Advances to other funds	74,979	-	-
Interest in net position of recipient organization	-	-	-
Total Assets	\$ 14,800,763	\$ 11,397,237	\$ 6,857,175
<u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 1,145,470	\$ 133,665	\$ -
Due to other funds	-	-	-
Advances from other funds	-	-	-
Total Liabilities	1,145,470	133,665	-
<u>Deferred Inflows of Resources</u>			
Unavailable revenue - property taxes	491,525	-	-
Unavailable revenue - fines and forfeitures	50,985	-	-
Unavailable revenue - grants	3,174,076	-	-
Unavailable revenue - contractual services	62,803	-	-
Total Deferred Inflows of Resources	3,779,389	-	-

Nonmajor Governmental Funds	Total Governmental Funds
\$ 5,969,013	\$ 28,820,029
120,000	520,000
1,272,815	4,624,456
178,953	6,156,129
-	6,934
-	91,629
-	301,800
-	74,979
269,715	269,715
<u>\$ 7,810,496</u>	<u>\$ 40,865,671</u>
\$ 157,742	\$ 1,436,877
6,934	6,934
74,979	74,979
<u>239,655</u>	<u>1,518,790</u>
86,258	577,783
-	50,985
-	3,174,076
-	62,803
<u>86,258</u>	<u>3,865,647</u>

City of Denison, Texas

BALANCE SHEET (Page 2 of 2)

GOVERNMENTAL FUNDS

September 30, 2021

	General	General Bond	Street Improvement
<u>Fund Balances</u>			
Nonspendable:			
Inventory	91,629	-	-
Prepaid items	301,800	-	-
Advances	74,979	-	-
Restricted for:			
Debt service	-	-	-
Capital improvements	1,100,000	11,263,572	6,857,175
Municipal court	-	-	-
Public safety	-	-	-
Community services	-	-	-
Federal relief grants	-	-	-
Committed to:			
Parks	-	-	-
Cemetery	4,350	-	-
Contingency	182,137	-	-
General government	-	-	-
Capital projects	-	-	-
Vehicle replacement	19,675	-	-
Assigned to:			
Capital projects	-	-	-
Unassigned	8,101,334	-	-
Total Fund Balances	9,875,904	11,263,572	6,857,175
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,800,763	\$ 12,409,042	\$ 6,857,175

See Notes to Financial Statements.

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
-	91,629
-	301,800
-	74,979
1,409,597	1,409,597
5,510	19,226,257
60,828	60,828
101,523	101,523
746,580	746,580
3,669,895	3,669,895
473,959	473,959
-	4,350
-	182,137
17,992	17,992
737,405	737,405
-	19,675
269,715	269,715
(8,421)	8,092,913
<u>7,484,583</u>	<u>35,481,234</u>
<u>\$ 7,810,496</u>	<u>\$ 40,865,671</u>



City of Denison, Texas

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

September 30, 2021

Fund Balances - Total Governmental Funds	\$ 35,481,234
Adjustments for the Statement of Net Position:	
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
Capital assets - non-depreciable	9,492,843
Capital assets - net depreciable	49,794,022
Deferred outflows (inflows) of resources, represent a consumption (acquisition) of net position that applies to a future period(s) and is not recognized as an outflow (Inflow) of resources (expenditure/revenue) until then.	
Pension contributions	1,286,232
Pension investment earnings	(2,935,742)
Pension changes in assumptions	389,932
Pension difference in experience	(747,444)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Unavailable revenue items	691,571
Grant receivables	3,174,076
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Accrued interest	(306,756)
Compensated absences	(2,854,135)
Bond premium	(2,562,340)
Bonds, notes and other payables	(36,974,494)
Landfill post-closure care costs	(27,696)
Net pension liability - firefighter's pension fund	(4,707,774)
Net pension liability - TMRS	(1,601,714)
Net Position of Governmental Activities	\$ 47,591,815

See Notes to Financial Statements.

City of Denison, Texas

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

For the Year Ended September 30, 2021

	General	General Bond	Street Improvement
<u>Revenues</u>			
Property tax	\$ 9,531,638	\$ -	\$ -
Sales tax	6,686,699	-	-
Franchise and local taxes	2,032,350	-	-
License and permits	884,066	-	-
Intergovernmental	1,846,303	801,911	-
Charges for services	7,450,169	-	-
Fines and forfeitures	440,215	-	-
Investment income	25,474	7,172	7,297
Contributions and donations	-	-	-
Other revenue	361,792	-	12,698
Total Revenues	29,258,706	809,083	19,995
<u>Expenditures</u>			
Current:			
General government	4,649,692	-	-
Public safety	11,291,128	-	-
Community services	5,863,444	2,564,052	-
Public works	5,596,970	-	-
Capital outlay	-	1,308,893	1,093,037
Debt Service:			
Principal	752,614	740,000	-
Interest and fiscal charges	83,374	81,059	-
Bond issuance costs	-	161,203	-
Total Expenditures	28,237,222	4,855,207	1,093,037
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,021,484	(4,046,124)	(1,073,042)
<u>Other Financing Sources (Uses)</u>			
Transfers in	2,328,089	143,425	945,000
Transfers (out)	(1,250,972)	-	(445,000)
Capital lease issuance	1,100,000	-	-
Proceeds from sale of assets	104,973	-	-
Bond issuance	-	12,295,000	-
Premium on bonds issuance	-	1,366,013	-
Total Other Financing Sources (Uses)	2,282,090	13,804,438	500,000
Net Change in Fund Balances	3,303,574	9,758,314	(573,042)
Beginning fund balances	6,572,330	1,505,258	7,430,217
Ending Fund Balances	\$ 9,875,904	\$ 11,263,572	\$ 6,857,175

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,699,717	\$ 12,231,355
-	6,686,699
-	2,032,350
-	884,066
3,848,836	6,497,050
626,502	8,076,671
35,709	475,924
55,207	95,150
48,000	48,000
539,346	913,836
7,853,317	37,941,101
354,020	5,003,712
85,978	11,377,106
419,697	8,847,193
-	5,596,970
334,863	2,736,793
1,585,666	3,078,280
568,814	733,247
-	161,203
3,349,038	37,534,504
4,504,279	406,597
955,972	4,372,486
(372,344)	(2,068,316)
-	1,100,000
-	104,973
-	12,295,000
-	1,366,013
583,628	17,170,156
5,087,907	17,576,753
2,396,676	17,904,481
\$ 7,484,583	\$ 35,481,234

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, 2021

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

Net changes in fund balances - total governmental funds	\$	17,576,753
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		5,730,452
Capital contribution		1,549,569
Depreciation expense		(2,041,143)
Net effect of capital asset transfers and disposals		(306,326)

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

Unavailable revenues		31,225
Grant revenue		(1,921,283)

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		(10,023)
Pension expense - TMRS		827,109
Pension expense - Firemen's pension		(276,175)
Accrued interest		(224,119)

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

Amortization of premium		92,571
Issuance of debt		(13,395,000)
Premiums on bonds issued		(1,366,013)
Principal payments		3,074,115
Landfill post-closure cost		29,140

Change in Net Position of Governmental Activities	\$	9,370,852
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See Notes to Financial Statements.

City of Denison, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2021

	Utility Fund
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 19,123,975
Investments	402,999
Receivables, net	2,057,194
Inventory	162,698
Restricted assets - cash	1,945,867
Total Current Assets	23,692,733
<u>Noncurrent Assets</u>	
Capital assets:	
Non-depreciable	15,612,947
Net depreciable capital assets	43,921,679
Total Assets	83,227,359
<u>Deferred Outflows of Resources</u>	
Pension contributions	250,873
Pension changes in assumptions	30,181
Deferred charge on bond refunding	32,718
Total Deferred Outflows of Resources	313,772
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	840,758
Customer deposits	466,240
Accrued interest	300,662
Compensated absences - current	342,671
Long-term liabilities due within one year	2,677,268
Total Current Liabilities	4,627,599
<u>Noncurrent Liabilities</u>	
Compensated absences - noncurrent	38,075
Long-term liabilities in more than one year	50,431,239
Net pension liability	492,635
Total Noncurrent Liabilities	50,961,949
<u>Deferred Inflows of Resources</u>	
Pension difference in experience	37,346
Pension investment earnings	442,563
Total Deferred Inflows of Resources	479,909
<u>Net Position</u>	
Net investment in capital assets	19,133,046
Unrestricted	8,338,628
Total Net Position	\$ 27,471,674

See Notes to Financial Statements.



City of Denison, Texas

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

For the Year Ended September 30, 2021

	<u>Utility Fund</u>
<u>Operating Revenues</u>	
Charges for services	\$ 14,414,639
Other revenue	104,156
Total Operating Revenues	<u>14,518,795</u>
 <u>Operating Expenses</u>	
Personnel services	3,380,381
Supplies and materials	1,484,611
Contractual services	1,868,903
Repairs and maintenance	1,186,591
Depreciation	1,537,075
Total Operating Expenses	<u>9,457,561</u>
Operating Income	<u>5,061,234</u>
 <u>Nonoperating Revenues (Expenses)</u>	
Investment income	33,938
Bond issuance expense	(226,648)
Interest expense	(1,198,427)
Total Nonoperating Revenues (Expenses)	<u>(1,391,137)</u>
Income Before Transfers	3,670,097
Transfers (out)	(2,304,170)
Total Transfers	<u>(2,304,170)</u>
Change in Net Position	1,365,927
Beginning net position	26,105,747
Ending Net Position	<u><u>\$ 27,471,674</u></u>

See Notes to Financial Statements.

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

	Utility Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 14,741,934
Payments to suppliers and service providers	(4,540,105)
Payments to employees for salaries and benefits	(4,704,590)
Net Cash Provided by Operating Activities	5,497,239
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers (out)	(2,304,170)
Net Cash (Used) by Noncapital Financing Activities	(2,304,170)
<u>Cash Flows from Capital and Related Financing Activities</u>	
Capital purchases	(7,701,644)
Proceeds from sale of capital assets	30,477
Proceeds from bond issuance	16,026,648
Bond issuance costs paid	(226,648)
Principal paid on debt	(2,433,979)
Interest paid on debt	(1,242,033)
Net Cash Provided (Used) by Capital and Related Financing Activities	4,452,821
<u>Cash Flows from Investing Activities</u>	
Interest on investments	33,938
Net Cash Provided by Investing Activities	30,939
Net Increase (Decrease) in Cash and Cash Equivalents	7,676,829
Beginning cash and cash equivalents	13,393,013
Ending Cash and Cash Equivalents	\$ 21,069,842

See Notes to Financial Statements.

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

	Utility Fund
<u>Reconciliation of Operating Income</u>	
<u>to Net Cash Provided by Operating Activities</u>	
Operating Income	\$ 5,061,234
Adjustments to reconcile operating income to net cash provided:	
Depreciation	1,537,075
Loss on sale of capital assets	61,945
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	121,421
Inventory	39,773
Deferred Outflows of Resources:	
Pension contributions	11,558
Actual experience vs. assumption	20,112
Increase (Decrease) in:	
Accounts payable and accrued liabilities	(885,339)
Compensated absences	(137,499)
Net pension liability	(278,081)
Deferred Inflows of Resources:	
Pension investment returns	(57,680)
Difference in experience	2,720
Net Cash Provided by Operating Activities	\$ 5,497,239

See Notes to Financial Statements.

City of Denison, Texas

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

September 30, 2021

	<u>Custodial Funds</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 120,234
Total Assets	<u>120,234</u>
 <u>Net Position</u>	
Restricted for organizations and other governments	120,234
Total Net Position	<u>\$ 120,234</u>

See Notes to Financial Statements.

City of Denison, Texas
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Year Ended September 30, 2021

		<u>Custodial Funds</u>
<u>Additions</u>		
Contributions		\$ 12,739
	Total Additions	<u>12,739</u>
 <u>Deductions</u>		
Intergovernmental		24,805
	Total Deductions	<u>24,805</u>
	Change in Net Position	(12,066)
Beginning net position		132,300
	Ending Net Position	<u>\$ 120,234</u>

See Notes to Financial Statements.



City of Denison, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Description of Government-Wide Financial Statements

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

B. Reporting Entity

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

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

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

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 2021 financials were audited by a separate audit firm, McClanahan & Homes.

Denison Community Investment Corporation

The Denison Community Investment Corporation (the "DCIC") is a nonprofit corporation established on June 17, 1988, for the economic development activities of the City. Although legally separate from the City, DCIC is governed by a Board of Trustees appointed by the City Council. DCIC is a single-purpose, business-type activity. The nature and significance of the relationship between the primary government and the corporation is such that exclusion would cause the City's financial statements to be misleading or incomplete. Records are maintained on a calendar year basis, ending December 31, 2020. DCIC issues separate financial statements that are available from the DCIC administrative offices located at 123 W. Main, Denison, Texas.

Denison Public Library Endowment Fund

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

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

Blended Component Units

Tax Increment Reinvestment Zone

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

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

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

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

Joint Venture

Texoma Area Solid Waste Authority

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

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

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

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 \$15,742 for landfill post-closure costs.

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

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

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

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

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

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

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

The government reports the following major governmental funds:

Governmental Funds

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

General Fund

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

General Bond Fund

The general bond fund is used to account for governmental capital bond projects within the City.

Street Improvement Fund

The street improvement fund accounts for the maintenance, construction, and development of streets within the City.

Proprietary Fund Types

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

The government reports the following major enterprise fund:

Utility Fund

This fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of

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

the water production and distribution system, water collection and treatment systems. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

Additionally, the City reports for the following fund types:

Debt Service Fund

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

Special Revenue Funds

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

Fiduciary Funds

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

Proprietary, pension and other postemployment benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Custodial funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

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

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

1. Deposits and Investments

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

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

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

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

2. Fair Value

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

3. Receivables and Interfund Transactions

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

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

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

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

4. Property Taxes

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

5. Inventories and Prepaid Items

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

6. Restricted Assets

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

7. Capital Assets

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

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

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.

Asset Description	Estimated Useful Years
Infrastructure	10-100
Buildings	50
Building Improvements	20-40
Vehicles	5-15
Machinery & Equipment	7-20

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows / inflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has 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 2021 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government records deferred inflows for the difference in expected and actual actuarial gains and losses of the pension liability. This item is only recorded on the full accrual basis. In addition, the government records a deferred inflow, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines and forfeitures and ambulance fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

9. Net Position Flow Assumption

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

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

10. Fund Balance Flow Assumptions

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

11. Fund Balance Policies

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

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

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

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

removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. A summary of the City's fund balance policy as adopted by the Council follows:

The City shall maintain an unassigned fund balance between sixty and ninety days of general fund expenditures, and between sixty and ninety days of utility fund expenditures. The City will also contribute 5% of sales tax receipts to a "rainy-day" fund for general fund purposes, and 5% of utility sales to a "capital project" fund for business activity related capital needs. The City is currently in compliance with these policies.

12. Pensions

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

13. Compensated Absences

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

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

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

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

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

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

14. Long-Term Obligations

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

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

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

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

15. Estimates

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

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, street improvement, special revenue, and utility 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.

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

General fund:

Human resources	\$	2,464
Fire		90,630
Police		2,835

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

Tax Increment Reinvestment fund:

Total expenditures	\$ 329,839
Transfers (out)	38,026

Parks and Recreation fund:

Transfers (out)	\$ 210,668
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Canine fund:

Public safety	\$ 32,994
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Police Training fund:

Public safety	\$ 118
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Police Equipment fund:

Public safety	\$ 4,239
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A. Deficit Fund Equity

The community development operating fund had a deficit fund balance of \$8,421, as of September 30, 2021. This deficit will be replenished in the subsequent periods.

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	\$ 922,999	0.24
External investment pools	38,218,420	0.11
Total value	<u>\$ 39,141,419</u>	
Portfolio weighted average maturity		0.11

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

Denison Community Investment Corporation

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit*	\$ 384,592	0.24
Total value	<u>\$ 384,592</u>	
Portfolio weighted average maturity		0.11

Denison Public Library Endowment Fund

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Bonds	\$ 187,714	1.80
Stocks	615,513	0.00
Alternatives fund	32,872	0.00
Total value	<u>\$ 836,099</u>	
Portfolio weighted average maturity		0.39

*Note: As of December 31, 2020

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

City of Denison, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2021, the market values of pledged securities and FDIC exceeded bank balances.

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

TexSTAR

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

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

B. Receivables

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

	Nonmajor Governmental			Total
	General	Funds	Utility	
Property taxes	\$ 511,140	\$ 89,992	\$ -	\$ 601,132
Sales tax	1,165,845	-	-	1,165,845
Franchise taxes	68,769	-	-	68,769
Hotel taxes	72,977	-	-	72,977
Fines	923,221	-	-	923,221
Ambulance	157,006	-	-	157,006
Accounts	608,997	92,694	2,121,873	2,823,564
Grant receivable	3,174,076	-	-	3,174,076
Other receivables	406,785	-	-	406,785
Allowance	(1,111,640)	(3,733)	(64,679)	(1,180,052)
	<u>\$ 5,977,176</u>	<u>\$ 178,953</u>	<u>\$ 2,057,194</u>	<u>\$ 8,213,323</u>

C. Notes Receivable

The City's discretely presented component unit, Denison Community Investment Corporation ("DCIC"), issues note receivables to local businesses. As of December 31, 2020 (the most recently available date), the outstanding note receivable balances were as follows:

Description	Interest Rate	Beginning Balance	Additions	Collections	Ending Balance	Amounts Due within One Year
RMJ Likarish - 331 W. Woodard	4.00%	\$ 99,106	\$ -	\$ (11,046)	\$ 88,060	\$ 10,798
Tyler Ward - Houston Street	4.00%	17,268	-	(17,268)	-	-
Jay Connelly	4.00%	-	-	-	-	-
Nitia, Inc	4.00%	58,656	-	(7,831)	50,825	16,138
Steelcore	4.00%	25,139	-	(4,487)	20,652	11,077
Parker - Ivahoe Ale House	5.00%	160,494	-	(14,733)	145,761	26,275
Parker - Ivahoe Ale House (add'l loan)	5.00%	25,335	-	(2,333)	23,002	4,161
Bent Leaf	4.00%	20,433	-	(20,433)	-	-
Gaytan Restaurants	4.00%	84,980	-	(10,885)	74,095	26,874
Mr. Ruiz Mexican Grill	4.00%	7,379	-	(7,379)	-	-
Voska, LLC	4.00%	91,360	-	(1,378)	89,982	-
Bohemian Taco, LLC	4.00%	832	81,170	-	82,002	4,947
Railyard Incubator, LLC	4.50%	397,202	-	(23,563)	373,639	24,779
Likarish Enterprises, Inc.	4.00%	-	200,000	-	200,000	172,64
Total Notes Receivable		<u>\$ 988,184</u>	<u>\$ 281,170</u>	<u>\$ (121,336)</u>	<u>\$ 1,148,018</u>	<u>\$ 142,313</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.

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

D. 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 sixth payment of \$793,519 during the year, leaving a remaining receivable balance of \$3,174,076.

E. Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 3,510,345	\$ 1,629,332	\$ (61,900)	\$ 5,077,777
Construction in progress	2,733,755	4,153,775	(2,472,464)	4,415,066
Total capital assets not being depreciated	<u>6,244,100</u>	<u>5,783,107</u>	<u>(2,534,364)</u>	<u>9,492,843</u>
Capital assets, being depreciated:				
Buildings and improvements	29,386,362	-	1,355,185	30,741,547
Infrastructure	32,642,855	-	1,117,279	33,760,134
Equipment	17,532,142	1,496,914	(672,426)	18,356,630
Total capital assets being depreciated	<u>79,561,359</u>	<u>1,496,914</u>	<u>1,800,038</u>	<u>82,858,311</u>
Less accumulated depreciation				
Buildings and improvements	(5,536,534)	(725,840)	-	(6,262,374)
Infrastructure	(16,414,071)	(375,245)	-	(16,789,316)
Equipment	(9,500,541)	(940,058)	428,000	(10,012,599)
Total accumulated depreciation	<u>(31,451,146)</u>	<u>(2,041,143)</u>	<u>428,000</u>	<u>(33,064,289)</u>
Net capital assets being depreciated	<u>48,110,213</u>	<u>(544,229)</u>	<u>2,228,038</u>	<u>49,794,022</u>
Total Capital Assets	<u>\$ 54,354,313</u>	<u>\$ 5,238,878</u>	<u>\$ (306,326)</u>	<u>\$ 59,286,865</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 219,553
Public safety	615,591
Public works	504,570
Community services	701,429
Total Governmental Activities Depreciation Expense	<u>\$ 2,041,143</u>

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

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 543,719	\$ -	\$ -	\$ 543,719
Construction in progress	8,849,356	7,447,792	(1,227,920)	15,069,228
Total capital assets not being depreciated	<u>9,393,075</u>	<u>7,447,792</u>	<u>(1,227,920)</u>	<u>15,612,947</u>
Capital assets, being depreciated:				
Buildings and improvements	26,269,864	-	-	26,269,864
Infrastructure	31,785,945	59,038	1,227,920	33,072,903
Machinery and equipment	16,906,655	194,814	(279,072)	16,822,397
Total capital assets being depreciated	<u>74,962,464</u>	<u>253,852</u>	<u>948,848</u>	<u>76,165,164</u>
Less accumulated depreciation				
Buildings and improvements	(8,591,503)	(542,762)	-	(9,134,265)
Infrastructure	(14,577,923)	(489,358)	-	(15,067,281)
Machinery and equipment	(7,723,634)	(504,955)	186,650	(8,041,939)
Total accumulated depreciation	<u>(30,893,060)</u>	<u>(1,537,075)</u>	<u>186,650</u>	<u>(32,243,485)</u>
Net capital assets being depreciated	<u>44,069,404</u>	<u>(1,283,223)</u>	<u>1,135,498</u>	<u>43,921,679</u>
Total Capital Assets	<u>\$ 53,462,479</u>	<u>\$ 6,164,569</u>	<u>\$ (92,422)</u>	<u>\$ 59,534,626</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 916,383
Sewer	<u>620,692</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 1,537,075</u>

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

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 1,687,842	\$ 11,501	\$ -	\$ 1,699,343
Total capital assets not being depreciated	<u>1,687,842</u>	<u>11,501</u>	<u>-</u>	<u>1,699,343</u>
Capital assets, being depreciated:				
Buildings and improvements	4,488,456	-	-	4,488,456
Infrastructure	186,608	-	-	186,608
Machinery and equipment	11,883	23,615	(5,757)	29,741
Total capital assets being depreciated	<u>4,686,947</u>	<u>23,615</u>	<u>(5,757)</u>	<u>4,704,805</u>
Less accumulated depreciation				
Buildings and improvements	(1,683,184)	(115,820)	-	(1,799,004)
Infrastructure	(32,345)	(1,866)	-	(34,211)
Machinery and equipment	(11,883)	(4,456)	5,757	(10,582)
Total accumulated depreciation	<u>(1,727,412)</u>	<u>(122,142)</u>	<u>5,757</u>	<u>(1,843,797)</u>
Net capital assets being depreciated	<u>2,959,535</u>	<u>(98,527)</u>	<u>-</u>	<u>2,861,008</u>
Total Capital Assets	<u>\$ 4,647,377</u>	<u>\$ (87,026)</u>	<u>\$ -</u>	<u>\$ 4,560,351</u>

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

F. Other Long-term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 2,844,112	\$ 126,299	\$ (116,276)	\$ 2,854,135	\$ 2,568,722
Total Governmental Activities	<u>\$ 2,844,112</u>	<u>\$ 126,299</u>	<u>\$ (116,276)</u>	<u>\$ 2,854,135</u>	<u>\$ 2,568,722</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 285,413</u>	
Business-Type Activities:					
Compensated Absences	\$ 518,245	\$ 211,427	\$ (348,926)	\$ 380,746	\$ 342,671
Total Business-Type Activities	<u>\$ 518,245</u>	<u>\$ 211,427</u>	<u>\$ (348,926)</u>	<u>\$ 380,746</u>	<u>\$ 342,671</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 38,075</u>	

The following is a summary of changes in the City's discretely presented component unit's, Denison Business and Industrial Corporation, compensated absences for the year ended September 30, 2021.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Component Unit Activities:					
Compensated Absences	\$ 83,833	\$ 34,402	\$ (28,691)	\$ 89,544	\$ 8,954
Total Component Unit Activities	<u>\$ 83,833</u>	<u>\$ 34,402</u>	<u>\$ (28,691)</u>	<u>\$ 89,544</u>	<u>\$ 8,954</u>
Other Long-Term Liabilities Due in More Than One Year				<u>\$ 80,590</u>	

The following is a summary of changes in the landfill post-closure costs liability of the primary government for the year ended September 30, 2021.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Landfill post-closure costs	\$ 56,836	\$ -	\$ (29,140)	\$ 27,696	\$ 27,696
Total Governmental Activities	<u>\$ 56,836</u>	<u>\$ -</u>	<u>\$ (29,140)</u>	<u>\$ 27,696</u>	<u>\$ 27,696</u>
Long-term Liabilities Due in More than One Year				<u>\$ -</u>	

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

G. Long-term Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
General obligation bonds	\$ 1,702,400	\$ -	\$ (395,200)	\$ 1,307,200	\$ 311,600
Certificates of obligation	20,540,641	12,295,000	(1,760,466)	31,075,175	1,871,459
Tax notes	215,000	-	(215,000)	-	-
Less deferred amounts:					
For issuance premiums	1,288,898	1,366,013	(92,571)	2,562,340	-
	<u>23,746,939</u>	<u>13,661,013</u>	<u>(2,463,237)</u>	<u>34,944,715</u>	<u>2,183,059</u>
Other liabilities:					
Capital leases payable	3,145,568	1,100,000	(533,449)	3,712,119	754,635
Notes payable	1,050,000	-	(170,000)	880,000	171,000
Total Governmental Activities	<u>\$ 27,942,507</u>	<u>\$ 14,761,013</u>	<u>\$ (3,166,686)</u>	<u>\$ 39,536,834</u>	<u>\$ 3,108,694</u>
Long-term liabilities due in more than one year				<u>\$ 36,428,140</u>	
Business-Type Activities:					
Bonds, notes and other payables:					
General obligation bonds	\$ 7,127,600	\$ -	\$ (814,800)	\$ 6,312,800	\$ 803,400
Certificates of obligation	29,844,363	14,010,000	(1,569,534)	42,284,829	1,823,541
Less deferred amounts:					
For issuance discount	(11,729)	-	1,303	(10,426)	-
For issuance premiums	2,505,124	2,016,648	(207,475)	4,314,297	-
	<u>39,465,358</u>	<u>16,026,648</u>	<u>(2,590,506)</u>	<u>52,901,500</u>	<u>2,626,941</u>
Other liabilities:					
Capital leases payable	256,652	-	(49,645)	207,007	50,327
Total Business-Type Activities	<u>\$ 39,722,010</u>	<u>\$ 16,026,648</u>	<u>\$ (2,640,151)</u>	<u>\$ 53,108,507</u>	<u>\$ 2,677,268</u>
Long-term liabilities due in more than one year				<u>\$ 50,431,239</u>	

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

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

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

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
General Obligation Bonds:			
\$3,442,800 General Obligation Refunding Bonds, Series 2013, due in installments through 2025, interest at 2.75%	\$ 1,307,200	\$ 412,800	\$ 1,720,000
\$3,060,000 General Obligation Refunding Bonds, Series 2019, due in installments through 2028, interest at 3% to 5%	-	2,270,000	2,270,000
\$4,045,000 General Obligation Refunding Bonds, Series 2020, due in installments through 2029, interest at 1.81%	-	3,630,000	3,630,000
Total General Obligation Bonds	<u>\$ 1,307,200</u>	<u>\$ 6,312,800</u>	<u>\$ 7,620,000</u>

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

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Certificates of Obligation:			
\$6,665,000 Comb Tax and Revenue Certificates of Obligation, Series 2012, due in annual installments through 2028, interest at 3%	\$ -	\$ 3,165,000	\$ 3,165,000
\$6,335,000 Comb Tax and Revenue Certificates of Obligation, Series 2015, due in annual installments through 2035, interest at 3-4%	-	5,030,000	5,030,000
\$2,240,000 Comb Tax and Surplus Revenue Certificates of Obligation, Series 2013, due in annual installments through 2033, interest at 2.75%	1,500,000	-	1,500,000
\$7,475,000 Comb Tax and Surplus Revenue Certificates of Obligation, Series 2016, due in annual installments through 2026, interest at 1.89%	3,925,000	-	3,925,000
\$1,725,000 Comb Tax and Surplus Revenue Certificates of Obligation, Series 2016, due in annual installments through 2036, interest at 3-5%	-	1,435,000	1,435,000
\$2,855,000 Combination Tax & Limited Surplus Revenue Certificates of Obligation, Series 2017, through 2027, interest at 2.16%	1,795,000	-	1,795,000
\$2,945,000 Combination Tax & Revenue Certificates of Obligation, Series 2017, through 2037, interest at 3	2,505,612	-	2,505,612
\$1,000,000 Comb Tax & Limited Surplus Revenue Certificates of Obligation Series 2018A, due through 2028, interest at 2.89%	735,000	-	735,000
\$3,925,000 Combination Tax & Revenue Certificates of Obligation, Series 2017, through 2037, interest at 3%	-	3,339,392	3,339,392
\$7,255,000 Comb Tax & Limited Surplus Revenue Certificates of Obligation, Series 2018, due through 2038, interest at 3.12% to 5.54%	-	6,530,000	6,530,000
\$5,255,000 Comb Tax & Limited Surplus Revenue Certificates of Obligation, Series 2019, due through 2039, interest at 3% to 4%	-	4,975,000	4,975,000
\$2,450,000 Comb Tax & Limited Surplus Revenue Certificates of Obligation, Series 2020A, due through 2030, interest at 1.86%	2,235,000	-	2,235,000
\$6,300,000 Comb Tax and Revenue Certificates of Obligation, Series 2020B, due in annual installments through 2040, interest at 3% to 5%	6,084,563	3,800,437	9,885,000
\$11,800,000 Comb. Tax & Revenue Certificates of Obligation, Series 2021B, due in annual installments through 2040, interest at 3% to 4.879%	-	10,365,000	10,365,000
\$15,940,000 Comb. Tax & Revenue Certificates of Obligation, Series 2021A, due in annual installments through 2040, interest at 2% to 5.372%	12,295,000	3,645,000	15,940,000
Total Certificates of Obligation	<u>\$ 31,075,175</u>	<u>\$ 42,284,829</u>	<u>\$ 73,360,004</u>

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

	Governmental Activities	Business - Type Activities	Total
Less deferred amounts:			
Discounts and premiums	\$ 2,562,340	\$ 4,303,871	\$ 6,866,211
Notes Payable:			
\$1,550,000 Section 108 HUD loan, due in annual installments through 2026, interest is variable	880,000	-	880,000
Capital Leases Payable:			
\$373,500 Capital lease payable to JP Morgan Chase, due in annual installments of \$41,746 through 2022, interest at 2.42%	40,760	-	40,760
\$1,600,000 Capital lease payable to BB&T, due in annual installments of \$180,904 through 2024, interest at 2.39%	517,769	-	517,769
\$463,000 Capital lease payable to JP Morgan Chase, due in annual installments of \$51,382 through 2025, interest at 2.08%	177,350	-	177,350
\$525,509 Capital lease payable to JP Morgan Chase, due in annual installments of \$61,045 through 2027, interest at 3.045%	329,763	-	329,763
\$135,186 Capital lease payable to Bankcorp South, due in annual installments of \$23,938 through 2023, interest at 2.46%	46,146	-	46,146
\$259,366 Capital lease payable to Ricoh, due in monthly installments of \$4,323 through 2023, interest at 0%	49,712	49,712	99,424
\$210,000 Capital lease payable to BB&T, due in annual installments of \$44,611 through 2023, interest at 3.11%	85,226	-	85,226
\$1,677,500 Capital lease payable to JP Morgan Chase, due in annual installments of \$194,919 through 2029, interest at 3.05%	1,365,393	-	1,365,393
\$251,326 Capital lease payable to BB&T, due in annual installments of \$28,921 through 2027, interest at 2.88%	-	157,295	157,295
\$1,100,000 Capital lease payable to BB&T, due in annual installments of \$227,313 through 2025, interest at 1.10%	1,100,000	-	1,100,000
Total Capital Leases Payable	3,712,119	207,007	3,919,126
Total Debt	\$ 39,536,834	\$ 53,108,507	\$ 92,645,341

As of September 30, 2021, the total net carrying value of the capital lease assets for governmental activities and business-type activities were \$3,369,562 and \$261,792, respectively.

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

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

General Obligation Bonds

Year ending September 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 311,600	\$ 42,579	\$ 803,400	\$ 173,636	\$ 1,115,000	\$ 216,215
2023	323,000	33,231	837,000	148,696	1,160,000	181,927
2024	330,600	23,541	864,400	122,672	1,195,000	146,213
2025	342,000	11,970	878,000	102,301	1,220,000	114,271
2026	-	-	790,000	82,206	790,000	82,206
2027	-	-	815,000	57,334	815,000	57,334
2028	-	-	840,000	31,327	840,000	31,327
2029	-	-	485,000	4,390	485,000	4,390
	<u>\$ 1,307,200</u>	<u>\$ 111,321</u>	<u>\$ 6,312,800</u>	<u>\$ 722,562</u>	<u>\$ 7,620,000</u>	<u>\$ 833,883</u>

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

Combination Tax and Revenue Certificates of Obligations

Year ending September 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,871,459	\$ 1,001,800	\$ 1,823,541	\$ 1,585,978	\$ 3,695,000	\$ 2,587,778
2023	1,924,429	801,022	2,080,571	1,396,674	4,005,000	2,197,696
2024	2,020,805	750,363	2,174,195	1,308,049	4,195,000	2,058,412
2025	2,404,325	693,569	2,255,675	1,219,342	4,660,000	1,912,911
2026	2,469,767	632,234	2,345,233	1,132,629	4,815,000	1,764,863
2027	1,698,286	573,091	2,431,714	1,041,582	4,130,000	1,614,673
2028	1,432,027	519,460	2,537,973	944,442	3,970,000	1,463,902
2029	1,488,624	466,524	2,111,376	843,451	3,600,000	1,309,975
2030	1,541,157	412,654	2,188,843	760,689	3,730,000	1,173,343
2031	1,327,753	361,071	2,267,247	677,182	3,595,000	1,038,253
2032	1,376,494	310,051	2,358,506	593,497	3,735,000	903,548
2033	1,423,092	264,828	2,441,908	510,250	3,865,000	775,078
2034	1,307,767	228,046	2,517,233	427,193	3,825,000	655,239
2035	1,343,651	192,469	2,611,349	341,983	3,955,000	534,452
2036	1,378,326	157,768	2,236,674	262,410	3,615,000	420,178
2037	1,408,994	124,083	2,181,011	194,260	3,590,005	318,343
2038	1,249,331	92,508	1,980,669	133,045	3,230,000	225,553
2039	1,276,641	63,093	1,533,359	81,838	2,810,000	144,931
2040	1,308,953	32,959	1,196,047	42,941	2,505,000	75,900
2041	823,294	8,850	1,011,705	13,075	1,834,999	21,925
	<u>\$ 31,075,175</u>	<u>\$ 7,686,443</u>	<u>\$ 42,284,829</u>	<u>\$ 13,510,510</u>	<u>\$ 73,360,004</u>	<u>\$ 21,196,953</u>

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

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

Capital Leases Payable

Year ending September 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 754,635	\$ 72,668	\$ 50,327	\$ 4,530	\$ 804,962	\$ 77,198
2023	734,798	58,644	48,868	3,828	783,666	62,472
2024	658,266	45,244	25,816	3,105	684,082	48,349
2025	491,569	33,458	26,559	2,361	518,128	35,819
2026	455,134	25,671	27,324	1,597	482,458	27,268
2027	237,337	18,627	28,113	810	265,450	19,437
2028	191,231	11,367	-	-	191,231	11,367
2029	189,149	5,769	-	-	189,149	5,769
	<u>\$ 3,712,119</u>	<u>\$ 271,448</u>	<u>\$ 207,007</u>	<u>\$ 16,231</u>	<u>\$ 3,919,126</u>	<u>\$ 287,679</u>

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

Notes Payable

Year ending September 30,	Governmental Activities		Total
	Principal	Interest	
2022	\$ 171,000	\$ 23,661	\$ 194,661
2023	173,000	19,306	192,306
2024	175,000	14,776	189,776
2025	178,000	10,107	188,107
2026	183,000	5,234	188,234
	<u>\$ 880,000</u>	<u>\$ 73,084</u>	<u>\$ 953,084</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, 2021.

Component Unit Activity	Beginning	Additions	Reductions	Ending	Amounts
	Balance			Balance	Due within One Year
Notes payable	\$ 371,000	\$ -	\$ (70,000)	\$ 301,000	\$ 72,000
Total Governmental Activities	<u>\$ 371,000</u>	<u>\$ -</u>	<u>\$ (70,000)</u>	<u>\$ 301,000</u>	<u>\$ 72,000</u>
Long-term liabilities due in more than one year				<u>\$ 229,000</u>	

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

Notes Payable

Year ending September 30,	Component Unit Activities		Total
	Principal	Interest	
2022	\$ 72,000	\$ 7,553	\$ 79,553
2023	74,000	5,472	79,472
2024	76,000	3,334	79,334
2025	79,000	1,126	80,126
	<u>\$ 301,000</u>	<u>\$ 17,485</u>	<u>\$ 318,485</u>

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. During the current year, the City paid \$29,140 toward the post-closure costs. These costs are expected to significantly decline in the near future. The City has recorded a liability of \$27,696 for the future costs, representing an estimated 1 year of remaining monitoring, including an assumed 2.5% inflation rate.

H. Deferred Charges on Refunding

A deferred charge resulting from the issuance of the 2019 General Obligation Refunding Bonds has been recorded as a deferred outflow of resources and is being amortized to interest expense over the term of the refunded debt. The current year balance for business-type activities totaled \$32,718. Current year amortization for business-type activities was \$4,674.

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

I. Interfund Transactions

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

Transfer Out:	Transfer In:				Total
	General	Street Improvement	General Bond	Nonmajor Govt	
Utility fund	\$ 2,099,170	\$ 205,000	\$ -	\$ -	\$ 2,304,170
General	-	740,000	-	510,972	1,250,972
Street Improvement	-	-	-	445,000	445,000
Nonmajor govt.	228,919	-	143,425	-	372,344
Total	\$ 2,328,089	\$ 945,000	\$ 143,425	\$ 955,972	\$ 4,372,486

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

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

Due from other funds (Receiving Fund):	Due to other funds (Payable Fund):
	Nonmajor
General Fund	\$ 6,934
Total	\$ 6,934

Advances from other funds (Receiving Fund):	Advances to other funds (Payable Fund):
	Nonmajor
General Fund	\$ 74,979
Total	\$ 74,979

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

In fiscal year ending September 30, 2020, the general fund advanced the parks and recreation fund \$147,979 paid towards a parks grant. The parks and recreation fund paid back the general fund \$73,000 during the current year.

J. Restricted Fund Balance

The City records restricted fund balance on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted fund balance for the governmental funds was \$24,114,680. Of which, \$60,828 is restricted by enabling legislation.

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

V. OTHER INFORMATION

A. Risk Management

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

B. Contingent Liabilities

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

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

C. Arbitrage

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

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

D. Defined Benefit Pension Plans

Texas Municipal Retirement System

1. Plan Description

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

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

2. Benefits Provided

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

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

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

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

Plan provisions for the City were as follows:

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

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	181
Inactive employees entitled to but not yet receiving benefits	150
Active employees	<u>247</u>
Total	<u>556</u>

3. Contributions

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

Employees for the City of Denison, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Denison, Texas were 12.16% and 11.64% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were \$1,467,563, and were equal to the required contributions.

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

4. Net Pension Liability

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

Actuarial assumptions

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

Inflation	2.5% per year
Overall payroll growth	3.5 to 11.5% per year, including inflation
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

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

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

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

City of Denison, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

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

Discount Rate

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

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

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/19	\$ 69,086,893	\$ 65,928,902	\$ 3,157,991
Changes for the year:			
Service cost	1,825,942	-	1,825,942
Interest	4,591,717	-	4,591,717
Difference between expected and actual experience	(180,883)	-	(180,883)
Changes of assumptions	-	-	-
Contributions – employer	-	1,481,217	(1,481,217)
Contributions – employee	-	852,675	(852,675)
Net investment income	-	5,000,171	(5,000,171)
Benefit payments, including refunds of emp. contributions	(3,948,842)	(3,948,842)	-
Administrative expense	-	(32,382)	32,382
Other changes	-	(1,263)	1,263
Net changes	2,287,934	3,351,576	(1,063,642)
Balance at 12/31/20	\$ 71,374,827	\$ 69,280,478	\$ 2,094,349

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

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

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 11,240,892	\$ 2,094,349	\$ (5,453,847)

Pension Plan Fiduciary Net Position

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

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

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

For the year ended September 30, 2021, the City recognized pension expense for this plan of \$343,972.

At September 30, 2021, 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
Differences between expected and actual economic experience	\$ -	\$ (158,768)
Changes in actuarial assumptions	128,309	-
Difference between projected and investment earnings	-	(1,881,476)
Contributions subsequent to the measurement date	1,066,541	-
Total	\$ 1,194,850	\$ (2,040,244)

The City reported \$1,066,541 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2022.

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

Year ended December 31:	
2021	\$ (715,276)
2022	53,781
2023	(1,140,446)
2024	(109,994)
2025	-
Thereafter	-
	\$ (1,911,935)

Denison Firemen's Relief and Retirement Fund

6. Plan Description

The Board of Trustees of the Fund is the administrator of the Fund, a single-employer defined benefit pension plan. The Fund is an independent entity for financial reporting

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

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.

7. Benefits Provided

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

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

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

Service Retirement Benefits

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

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

Service retirement benefits are payable for the member's lifetime. In the event the member's death precedes that of his spouse, three-fourths of the member's pension will be continued

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

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.

Governmental Accounting Standards

In June 2012, the GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which amended GASB Statement No. 27 effective for fiscal years beginning after June 15, 2014. GASB 68 says that the total pension liability should be determined by (a) an actuarial valuation as of the measurement date or (b) the use of update procedures to roll forward to the measurement date from an actuarial valuation as of a date no more than 30 months and one day earlier than the employer's most recent fiscal year-end. The City's actuary performed a roll forward procedure to determine the December 31, 2020 total pension liability from the total pension liability in the December 31, 2019 actuarial valuation, revised to reflect the new plan provisions effective April 8, 2021. Therefore, there are no differences between expected and actual experience for the Fund year ending December 31, 2020 since the theoretical actual demographic experience for that year was assumed to be the same as the expected experience.

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

Employees covered by benefit terms

At the December 31, 2019 actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to but not yet receiving benefits	9
Active employees	<u>47</u>
Total	<u>109</u>

8. Contributions

Beginning January 1, 2020, the City increased its rate to 18%. The City's contributions to the fund for the year ended September 30, 2021, were \$674,130, and were equal to the required contributions.

9. Net Pension Liability

The City's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of December 31, 2019, revised to reflect the new plan provisions effective April 8, 2021, and rolled forward to December 31, 2020.

Total pension liability	\$ 25,787,791
Plan fiduciary net position	<u>21,080,017</u>
City's net pension liability	<u>\$ 4,707,774</u>
Plan fiducisry net position as a percentage of the total pension liability	81.74%

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

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation, measurement date of December 31, 2020, 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	2.75% aggregate payroll growth										
Marital status	Males: 100%, Females: 100%										
a. Proportion married	Actual age difference are used for married members.										
b. Difference in ages	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 border="0" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;"><u>Age</u></th> <th style="text-align: left;"><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%										

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

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:

<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 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Cash and cash equivalents	3.8%	0.000%
Closed-end mutual funds	5.5%	1.45%
Equities	72.1%	5.95%
Real Estate	<u>18.6%</u>	<u>3.95%</u>
Total	100.0%	5.10%

Changes in the Net Pension Liability

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) – (b)</u>
Balance at 9/30/2020	\$ 23,884,175	\$ 20,225,141	\$ 3,659,034
Changes for the year:			
Service cost	484,543	-	484,543
Interest	1,857,246	-	1,857,246
Change in benefit provisions	1,227,295	-	1,227,295
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions – employer	-	674,130	(674,130)
Contributions – employee	-	496,234	(496,234)
Net investment income	-	1,367,729	(1,367,729)
Benefit payments, including refunds of emp. contributions	(1,665,468)	(1,665,468)	-
Administrative expense	-	(17,749)	17,749
Other changes	-	-	-
Net changes	1,903,616	854,876	1,048,740
Balance at 9/30/2021	<u>\$ 25,787,791</u>	<u>\$ 21,080,017</u>	<u>\$ 4,707,774</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 7.50% as well as what the City's net pension liability would be if it were to be calculated using the discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

<u>1% Decrease 6.50%</u>	<u>Current Single Rate Assumption 7.50%</u>	<u>1% Increase 8.50%</u>
\$ 7,911,020	\$ 4,707,774	\$ 2,053,022

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

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2021, the City recognized pension expense for this plan of \$939,872.

At September 30, 2021, 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
	<u> </u>	<u> </u>
Difference between projected and investment earnings	\$ -	\$ (1,496,829)
Changes in actuarial assumptions	291,804	-
Differences between expected and actual economic experience	-	(626,022)
Contributions subsequent to the measurement date	470,564	-
Total	<u>\$ 762,368</u>	<u>\$ (2,122,851)</u>

The City reported \$470,564 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2022.

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

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:	
2022	\$ (656,118)
2023	(375,360)
2024	(733,759)
2025	(65,810)
2026	-
2027	-
2028	-
Thereafter	-
	\$ (1,831,047)

	Texas Municipal Retirement System Defined Benefit Plan	Denison Fireman's Relief and Retirement Fund	Total
Net pension liability	\$ (2,094,349)	\$ (4,707,774)	\$ (6,802,123)
Deferred outflows of resources	1,194,850	762,368	1,957,218
Deferred inflows of resources	(2,040,244)	(2,122,851)	(4,163,095)
Pension expense	343,972	939,872	1,283,844
Total	\$ (2,595,771)	\$ (5,128,385)	\$ (7,724,156)

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

E. Deferred Compensation Plan

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

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

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

The City's deferred compensation plan is administered by a private corporation under contract with the City. Participant contributions totaled \$61,310 for the year ended September 30, 2021.

F. Commitments and Contingencies

Texoma Area Solid Waste Authority

The City has an unconditional obligation to pay its proportionate share of TASWA's bond debt service and annual operating and maintenance expenditures. The City pays its proportionate share of this obligation to TASWA through tipping fees. The City's budgeted commitment to TASWA for fiscal year 2021 is \$915,000. Payments made by the City during the year totaled \$931,737.

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.

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

If the City expends funds under this guarantee, the City would be unconditionally entitled to reimbursement from TASWA according to the terms of the Landfill Contract. Estimated costs guaranteed by the City are \$8,033,370 for closure and \$2,276,581 for post-closure. The landfill is estimated to be 21% full and has an estimated remaining useful life of 62.8 years. These estimates are evaluated annually and are subject to change due to inflation, changes in technology, or changes in regulation.

Greater Texoma Utility Authority

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

During the year ended September 30, 2021, the City paid \$299,417 to the Authority in accordance with these contracts. Future payments under these contracts average approximately \$290,108 per year for the next 9 years.

A summary of the remaining debt service as of September 30, 2021 is as follows:

Year Ending September 30,	Principal	Interest	Total
2022	\$ 237,600	\$ 52,407	\$ 290,007
2023	243,000	48,049	291,049
2024	249,480	43,240	292,720
2025	255,960	38,021	293,981
2026	262,440	32,411	294,851
2027	268,920	26,424	295,344
2028	275,400	20,070	295,470
2029	281,880	13,358	295,238
2030	255,960	6,348	262,308
Total	\$ 2,330,640	\$ 280,328	\$ 2,610,968

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

Construction Commitments

The City has active construction projects as of September 30, 2021. At year end, the City's commitments with contractors are as follows:

Governmental Funds

Project	Project Budget Appropriation	Construction in Progress (Spent to Date)	Remaining Commitment
Katy Trail Phase One	\$ 229,978	\$ 109,417	\$ 120,561
Waterloo/Lang Reconstruction	246,845	84,985	161,860
D3 Design	1,075,770	1,075,171	599
D3 Construction	15,759,918	11,031,517	4,728,401
Total Construction in Progress	\$ 17,312,511	\$ 12,301,090	\$ 5,011,421

Proprietary Funds

Project	Project Budget Appropriation	Construction in Progress (Spent to Date)	Remaining Commitment
Texoma Pump Station	\$ 829,958	\$ 505,483	\$ 324,475
Theresa (Katy Trail/Railroad) Water Line	4,953,731	4,784,577	169,154
Iron Ore Interceptor	3,686,372	3,428,803	257,569
West Loy Lake	399,700	220,351	179,349
Iron Ore Interceptor	739,900	709,993	29,907
FM 1417 Water Line	889,239	1,057,451	(168,212)
Secondary Clarifier	264,282	233,150	31,132
D3 - Utilities	4,037,957	2,075,781	1,962,176
Randell Dam Repair	15,000	12,500	2,500
FM691	191,317	94,761	96,556
Water Plant Master Plan	215,181	135,117	80,064
Duck Creek Interceptor	1,621,425	20,799	1,600,626
60" Rehab Storm Drain Repair	493,648	7,984	485,664
Total Construction in Progress	\$ 18,337,710	\$ 13,286,750	\$ 5,050,960

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

G. Additional Water and Sewer Information

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

Water Accountability Report:

Gallons Pumped	1,819,915,000
Gallons Billed	1,553,402,704
Other gallons processed *	9,061,545

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

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

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

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

H. Tax Abatement Disclosures

The City of Denison negotiates tax abatement agreements on an individual basis. The City has four property tax abatement agreements with two separate entities, a sales tax abatement with one entity, and hotel tax abatements with one entity as of September 30, 2021:

<u>Purpose</u>	<u>Abatement Type</u>	<u>Percentage of Taxes Abated during the Fiscal Year</u>	<u>Amount of Taxes Abated during the Fiscal Year</u>
Food processing company receives tax abatements for the acquisition and installation of personal property for facility improvements at a preexisting facility within the City. The estimated value of such is \$30,000,000.	Property Tax	50%	\$ 55,941
Hotel receives hotel tax abatements for constructing and operating a hotel and conference center facility within the City.	Hotel Tax	100%	309,786
Developer receives ad valorem rebate for constructing single family structures within the City.	Property Tax	100%	35,848
Property owner/developer receives rebate of ten times the amount of increased city property taxes assessed and paid.	Property Tax	100%	43,318
Entertainment venue receives property tax rebate for constructing and operating facility within the City.	Property Tax	100%	63,775
Property owner/developer receives cash grant equal to ten percent of the increase in taxable value created by the new construction.	Taxable Value	N/A	30,000
Entertainment venue receives sales tax rebate for constructing and operating facility within the City.	Sales Tax	100%	37,706
	Total		\$ 576,374

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

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

governmental entities. The City has chosen to disclose information about its tax abatement agreements individually. It established a quantitative threshold of 100% percent of the total dollar amount of taxes abated during the year.

I. Related Party Transactions

Janet Gott is the City Mayor. Mrs. Gott is related to the owner of a landscaping company that was contracted to perform landscaping services for the City. The services provided totaled \$340,129 during the fiscal year ending September 30, 2021.

J. Restatement

The City restated its beginning net position within government activities, business-type activities, the general fund and the utility fund to properly reflect corrections to compensated absences, AR allowance, and expenses in the prior year. The below tables summarize the changes to net position and the respective fund balances as a result of these changes.

	Governmental	
	Activities	General
	<hr/>	<hr/>
Prior year ending net position/ fund balance, as reported	\$ 37,926,609	\$ 6,610,893
To correct receivable allowance	(64,500)	(64,500)
To correct allocation of expenses	25,937	25,937
To correct compensated absences	332,917	-
Restated beginning net position/fund balance	<hr/> \$ 38,220,963 <hr/>	<hr/> \$ 6,572,330 <hr/>
	Business-type	Utility
	Activities	Fund
	<hr/>	<hr/>
Prior year ending net position as reported	\$ 25,931,895	\$ 25,931,895
To correct compensated absences	135,289	135,289
To correct receivable allowance	64,500	64,500
To correct allocation of expenses	(25,937)	(25,937)
Restated beginning net position/fund balance	<hr/> \$ 26,105,747 <hr/>	<hr/> \$ 26,105,747 <hr/>

K. Subsequent Events

Subsequent to September 30, 2021, the City issued a capital lease for utility equipment, in the amount of \$211,748 with an interest rate of 1.06% and a maturity date of November 15, 2025. In addition, on December 30, 2021, the City issues a capital lease for a fire truck in the amount of \$750,000 with an interest rate of 1.87% and a maturity date of August 30, 2031. There were no additional material events through March 15, 2022, the date the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION

City of Denison, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND (Page 1 of 2)

For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Property tax	\$ 10,232,342	\$ 8,107,982	\$ 9,531,638	\$ 1,423,656
Sales tax	6,221,215	6,221,215	6,686,699	465,484
Franchise and local taxes	1,827,500	1,827,500	2,032,350	204,850
License and permits	670,000	670,000	884,066	214,066
Intergovernmental	76,900	17,949	1,846,303	1,828,354
Charges for services	7,501,800	6,990,294	7,450,169	459,875
Fines and forfeitures	400,000	400,000	440,215	40,215
Investment income	101,560	26,492	25,474	(1,018)
Other revenue	300,000	300,000	361,792	61,792
Total Revenues	27,331,317	24,561,432	29,258,706	4,697,274
Expenditures				
Current:				
General government				
City manager and admin.	3,970,149	3,791,625	2,072,879	1,718,746
Finance	592,985	592,985	543,197	49,788
Human resources	326,418	326,418	328,882	(2,464) *
Information technology	1,408,213	1,356,340	1,239,741	116,599
Main street	271,176	271,176	261,732	9,444
Community engagement	208,472	208,472	203,261	5,211
Total	6,777,413	6,547,016	4,649,692	1,897,324
Public safety				
Fire	5,151,973	5,185,773	5,276,403	(90,630) *
Police	5,045,501	5,228,594	5,231,429	(2,835) *
Dispatch	830,966	1,016,363	783,296	233,067
Total	11,028,440	11,430,730	11,291,128	139,602
Community services				
Municipal court	276,790	276,790	244,467	32,323
City marshal	119,732	129,629	126,683	2,946
Animal control	297,373	308,522	287,731	20,791
Cemetery	279,035	318,701	312,728	5,973
Code enforcement	388,207	388,207	386,788	1,419
Building inspections	452,175	452,175	414,980	37,195
Marketing and tourism	320,952	371,429	366,455	4,974
Emergency operations	-	78,100	77,181	919
Parks and recreation	2,839,478	2,952,178	2,889,766	62,412
Library	741,483	764,114	756,665	7,449
Total	5,715,225	6,039,845	5,863,444	176,401

City of Denison, Texas

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

GENERAL FUND (Page 2 of 2)

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public works				
Demolition/mowing	83,557	83,557	65,255	18,302
Garage	1,431,287	1,502,795	1,454,164	48,631
Streets	1,054,968	1,091,305	1,032,534	58,771
Solid waste	2,343,997	2,352,666	2,308,905	43,761
Planning	523,446	547,513	544,893	2,620
Building maintenance	186,148	191,487	191,219	268
Total	5,623,403	5,769,323	5,596,970	172,353
Debt Service:				
Principal	1,023,620	967,516	752,614	214,902
Interest and fiscal charges	3,968	86,009	83,374	2,635
Total Expenditures	30,172,069	30,840,439	28,237,222	2,603,217
Revenues Over (Under) Expenditures	(2,840,752)	(6,279,007)	1,021,484	7,300,491
Other Financing Sources (Uses)				
Transfers in	2,464,274	2,307,193	2,328,089	20,896
Transfers (out)	(710,369)	(1,268,464)	(1,250,972)	17,492
Proceeds from sale of assets	-	-	104,973	104,973
Capital lease issuance	1,100,000	1,100,000	1,100,000	-
Total Other Financing Sources (Uses)	2,853,905	2,138,729	2,282,090	143,361
Net Change in Fund Balance	\$ 13,153	\$ (4,140,278)	3,303,574	\$ 7,443,852
Beginning fund balance			6,572,330	
Ending Fund Balance			\$ 9,875,904	

Notes to Required Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

City of Denison, Texas

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

Years Ended

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

Notes to schedule:

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

	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	¹
\$	1,698,110	\$ 1,804,742	\$ 1,825,942	
	4,259,941	4,420,063	4,591,717	
	15,566	(82,160)	(180,883)	
	-	283,838	-	
	<u>(3,470,248)</u>	<u>(3,839,260)</u>	<u>(3,948,842)</u>	
	2,503,369	2,587,223	2,287,934	
	<u>63,996,301</u>	<u>66,499,670</u>	<u>69,086,893</u>	
	<u>66,499,670</u>	<u>69,086,893</u>	<u>71,374,827</u>	
\$	1,410,223	\$ 1,437,441	\$ 1,481,217	
	775,143	827,133	852,675	
	(1,846,896)	9,040,300	5,000,171	
	(3,470,248)	(3,839,260)	(3,948,842)	
	(35,711)	(51,117)	(32,382)	
	(1,866)	(1,535)	(1,263)	
	<u>(3,169,355)</u>	<u>7,412,962</u>	<u>3,351,576</u>	
	61,685,295	58,515,940	65,928,902	
\$	<u>58,515,940</u>	<u>\$ 65,928,902</u>	<u>\$ 69,280,478</u>	
\$	<u>7,983,730</u>	<u>\$ 3,157,991</u>	<u>\$ 2,094,349</u>	
	87.99%	95.43%	97.07%	
\$	11,005,252	\$ 11,749,623	\$ 12,181,068	
	72.54%	26.88%	17.19%	

<u>9/30/2019</u>	<u>9/30/2020</u>	<u>9/30/2021</u> ¹
\$ 1,431,847	\$ 1,436,872	\$ 1,467,563
<u>\$ 1,431,847</u>	<u>\$ 1,436,872</u>	<u>\$ 1,467,563</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u><u>\$ 11,631,121</u></u>	<u><u>\$ 11,813,936</u></u>	<u><u>\$ 12,460,598</u></u>
12.31%	12.16%	11.78%

City of Denison, Texas

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

Years Ended:

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

Notes to schedule:

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

<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	¹
\$ 487,429	\$ 504,489	\$ 484,543	
1,679,321	1,713,480	1,857,246	
-	-	1,227,295	
-	(693,239)	-	
-	966,083	-	
<u>(1,559,639)</u>	<u>(1,897,085)</u>	<u>(1,665,468)</u>	
<u>607,111</u>	<u>593,728</u>	<u>1,903,616</u>	
<u>22,683,336</u>	<u>23,290,447</u>	<u>23,884,175</u>	
<u>23,290,447</u>	<u>23,884,175</u>	<u>25,787,791</u>	
\$ 504,819	\$ 529,465	\$ 674,130	
404,045	423,572	496,234	
(461,618)	4,623,990	1,367,729	
(1,559,639)	(1,897,085)	(1,665,468)	
(24,075)	(43,403)	(17,749)	
-	-	-	
<u>(1,136,468)</u>	<u>3,636,539</u>	<u>854,876</u>	
<u>17,725,070</u>	<u>16,588,602</u>	<u>20,225,141</u>	
<u>\$ 16,588,602</u>	<u>\$ 20,225,141</u>	<u>\$ 21,080,017</u>	
<u>\$ 6,701,845</u>	<u>\$ 3,659,034</u>	<u>\$ 4,707,774</u>	
71.22%	84.68%	81.74%	
\$ 3,365,460	\$ 3,529,767	\$ 3,745,167	
199.14%	103.66%	125.70%	

City of Denison, Texas

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

Years Ended:

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

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

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	12.2 years
Asset Valuation Method	5 Year smoothed market; 20% market value corridor
Inflation	
Salary Increases	2.75% per year, plus promotion, step and longevity increases that vary by service
Investment Rate of Return	7.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation.
Mortality	PubS-2010 (public safety) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2019.

Other Information:

Notes There were no benefit changes during the year.

<u>9/30/2019</u>	<u>9/30/2020</u>	<u>9/30/2021</u> ¹
\$ 513,916	\$ 604,020	\$ 674,130
<u>\$ 513,916</u>	<u>\$ 604,020</u>	<u>\$ 674,130</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u><u>\$ 3,426,107</u></u>	<u><u>\$ 3,355,667</u></u>	<u><u>\$ 3,745,167</u></u>
15.00%	18.00%	18.00%



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

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

	<u>Tax Increment Reinvestment Zone</u>	<u>General Interest & Sinking</u>	<u>Cemetery Pre-pay O&C</u>	<u>Special Events</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 733,187	\$ 484,131	\$ -	\$ 19,576
Investments	-	-	120,000	-
Restricted assets - cash	-	925,465	25,071	-
Receivables, net	-	86,259	6,585	-
Interest in net position of recipient organization	-	-	-	-
Total Assets	\$ 733,187	\$ 1,495,855	\$ 151,656	\$ 19,576
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 2	\$ -	\$ 141,219	\$ 12,021
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	2	-	141,219	12,021
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	-	86,258	-	-
Total Deferred Inflows of Resources	-	86,258	-	-
<u>Fund Balances</u>				
Restricted for:				
Debt service	-	1,409,597	-	-
Capital projects	-	-	-	-
Municipal court	-	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Federal relief grants	-	-	-	-
Committed to:				
Parks	-	-	-	-
General government	-	-	10,437	7,555
Capital projects	733,185	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	733,185	1,409,597	10,437	7,555
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 733,187	\$ 1,495,855	\$ 151,656	\$ 19,576

Parks & Recreation	TASWA Reserve	Community Development Operating	Denison Public Library	Mr. & Mrs. Jones Memorial Trust
\$ 463,829	\$ 480,867	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	218,019	-
86,109	-	-	-	-
-	-	-	-	269,715
<u>\$ 549,938</u>	<u>\$ 480,867</u>	<u>\$ -</u>	<u>\$ 218,019</u>	<u>\$ 269,715</u>
\$ 1,035	\$ -	\$ 1,487	\$ 375	\$ -
-	-	6,934	-	-
74,979	-	-	-	-
<u>76,014</u>	<u>-</u>	<u>8,421</u>	<u>375</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	480,867	-	217,644	-
473,924	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	269,715
-	-	(8,421)	-	-
<u>473,924</u>	<u>480,867</u>	<u>(8,421)</u>	<u>217,644</u>	<u>269,715</u>
<u>\$ 549,938</u>	<u>\$ 480,867</u>	<u>\$ -</u>	<u>\$ 218,019</u>	<u>\$ 269,715</u>

City of Denison, Texas
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

	<u>Federal Foreitures</u>	<u>Fire Equipment</u>	<u>Fire Training</u>	<u>Canine</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 3,112
Investments	-	-	-	-
Restricted assets - cash	58,848	5,510	6,965	-
Receivables, net	-	-	-	-
Interest in net position of recipient organization	-	-	-	-
Total Assets	\$ 58,848	\$ 5,510	\$ 6,965	\$ 3,112
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	-	-	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for:				
Debt service	-	-	-	-
Capital projects	-	5,510	-	-
Municipal court	-	-	-	-
Public safety	58,848	-	6,965	3,112
Community services	-	-	-	-
Federal relief grants	-	-	-	-
Committed to:				
Parks	-	-	-	-
General government	-	-	-	-
Capital projects	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	58,848	5,510	6,965	3,112
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 58,848	\$ 5,510	\$ 6,965	\$ 3,112

Homeland Security Grant	Police Equipment	THF Park	Vehicle Seizures	Park Dedication
\$ -	\$ -	\$ 35	\$ 1,264	\$ 48,069
-	-	-	-	-
2,021	3,094	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,021</u>	<u>\$ 3,094</u>	<u>\$ 35</u>	<u>\$ 1,264</u>	<u>\$ 48,069</u>
\$ -	\$ 1,603	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>1,603</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,021	1,491	-	1,264	-
-	-	-	-	48,069
-	-	35	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,021</u>	<u>1,491</u>	<u>35</u>	<u>1,264</u>	<u>48,069</u>
<u>\$ 2,021</u>	<u>\$ 3,094</u>	<u>\$ 35</u>	<u>\$ 1,264</u>	<u>\$ 48,069</u>

City of Denison, Texas
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

	Law Enforcement Forfeitures	Police Training	Municipal Court Security	Municipal Court Technology
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 16,971	\$ 28,608
Investments	-	-	-	-
Restricted assets - cash	27,822	-	-	-
Receivables, net	-	-	-	-
Interest in net position of recipient organization	-	-	-	-
Total Assets	\$ 27,822	\$ -	\$ 16,971	\$ 28,608
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for:				
Debt service	-	-	-	-
Capital improvements	-	-	-	-
Municipal court	-	-	16,971	28,608
Public safety	27,822	-	-	-
Community services	-	-	-	-
Federal relief grants	-	-	-	-
Committed to:				
Parks	-	-	-	-
General government	-	-	-	-
Capital projects	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	27,822	-	16,971	28,608
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 27,822	\$ -	\$ 16,971	\$ 28,608

Truancy & Prevention Diversion	Municipal Jury	Improvement Fund	Federal Relief	Total
\$ 14,951	\$ 298	\$ 4,220	\$ 3,669,895	\$ 5,969,013
-	-	-	-	120,000
-	-	-	-	1,272,815
-	-	-	-	178,953
-	-	-	-	269,715
<u>\$ 14,951</u>	<u>\$ 298</u>	<u>\$ 4,220</u>	<u>\$ 3,669,895</u>	<u>\$ 7,810,496</u>
\$ -	\$ -	\$ -	\$ -	\$ 157,742
-	-	-	-	6,934
-	-	-	-	74,979
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,655</u>
-	-	-	-	86,258
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,258</u>
-	-	-	-	1,409,597
-	-	-	-	5,510
14,951	298	-	-	60,828
-	-	-	-	101,523
-	-	-	-	746,580
-	-	-	3,669,895	3,669,895
-	-	-	-	473,959
-	-	-	-	17,992
-	-	4,220	-	737,405
-	-	-	-	269,715
-	-	-	-	(8,421)
<u>14,951</u>	<u>298</u>	<u>4,220</u>	<u>3,669,895</u>	<u>7,484,583</u>
<u>\$ 14,951</u>	<u>\$ 298</u>	<u>\$ 4,220</u>	<u>\$ 3,669,895</u>	<u>\$ 7,810,496</u>

City of Denison, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	Tax Increment Reinvestment Zone	General Interest & Sinking	Cemetery Pre-pay O&C	Special Events
Revenues				
Property tax	\$ 766,679	\$ 1,933,038	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	8,020	-
Fines and forfeitures	-	-	-	-
Investment income	4,620	5,015	1,291	11
Contributions and donations	-	-	-	-
Other revenue	-	-	-	152,902
Total Revenues	771,299	1,938,053	9,311	152,913
Expenditures				
Current:				
General government	-	-	-	163,299
Public safety	-	-	-	-
Community services	-	-	-	-
Capital outlay	334,863	-	-	-
Debt Service:				
Principal	95,000	1,320,666	-	-
Interest and fiscal charges	34,591	506,193	-	-
Total Expenditures	464,454	1,826,859	-	163,299
Revenues Over (Under) Expenditures	306,845	111,194	9,311	(10,386)
Other Financing Sources (Uses)				
Transfers in	-	445,000	-	-
Transfers (out)	(39,026)	(108,682)	(8,020)	-
Total Other Financing Sources (Uses)	(39,026)	336,318	(8,020)	-
Net Change in Fund Balances	267,819	447,512	1,291	(10,386)
Beginning fund balances	465,366	962,085	9,146	17,941
Ending Fund Balances	\$ 733,185	\$ 1,409,597	\$ 10,437	\$ 7,555

<u>Parks & Recreation</u>	<u>TASWA Reserve</u>	<u>Community Development Operating</u>	<u>Denison Public Library</u>	<u>Mr. & Mrs. Jones Memorial Trust</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	49,170	97,279	-
568,817	-	34,665	-	-
-	-	-	-	-
3,309	1,145	-	1,212	30,919
-	-	-	-	-
178,972	-	198,030	-	-
<u>751,098</u>	<u>1,145</u>	<u>281,865</u>	<u>98,491</u>	<u>30,919</u>
-	31,250	91,501	57,167	-
-	-	-	-	-
416,725	-	-	-	-
-	-	-	-	-
-	-	170,000	-	-
-	-	28,030	-	-
<u>416,725</u>	<u>31,250</u>	<u>289,531</u>	<u>57,167</u>	<u>-</u>
<u>334,373</u>	<u>(30,105)</u>	<u>(7,666)</u>	<u>41,324</u>	<u>30,919</u>
-	510,972	-	-	-
(216,616)	-	-	-	-
<u>(216,616)</u>	<u>510,972</u>	<u>-</u>	<u>-</u>	<u>-</u>
117,757	480,867	(7,666)	41,324	30,919
356,167	-	(755)	176,320	238,796
<u>\$ 473,924</u>	<u>\$ 480,867</u>	<u>\$ (8,421)</u>	<u>\$ 217,644</u>	<u>\$ 269,715</u>

City of Denison, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	<u>Federal Foreitures</u>	<u>Fire Equipment</u>	<u>Fire Training</u>	<u>Canine</u>
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	600	3,250	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	447	32	31	114
Contributions and donations	-	-	-	-
Other revenue	-	-	-	6,300
Total Revenues	<u>447</u>	<u>632</u>	<u>3,281</u>	<u>6,414</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	33,926	-	-	32,994
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>33,926</u>	<u>-</u>	<u>-</u>	<u>32,994</u>
Revenues Over (Under) Expenditures	<u>(33,479)</u>	<u>632</u>	<u>3,281</u>	<u>(26,580)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(33,479)</u>	<u>632</u>	<u>3,281</u>	<u>(26,580)</u>
Beginning fund balances	92,327	4,878	3,684	29,692
Ending Fund Balances	<u>\$ 58,848</u>	<u>\$ 5,510</u>	<u>\$ 6,965</u>	<u>\$ 3,112</u>

<u>Homeland Security Grant</u>	<u>Police Equipment</u>	<u>THF Park</u>	<u>Vehicle Seizures</u>	<u>Park Dedication</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	10,426	-	-	-
-	-	-	-	-
-	-	-	-	-
12	9	-	7	69
-	-	-	-	48,000
-	-	35	-	-
<u>12</u>	<u>10,435</u>	<u>35</u>	<u>7</u>	<u>48,069</u>
-	-	-	-	-
-	9,239	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	9,239	-	-	-
<u>12</u>	<u>1,196</u>	<u>35</u>	<u>7</u>	<u>48,069</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
12	1,196	35	7	48,069
2,009	295	-	1,257	-
<u>\$ 2,021</u>	<u>\$ 1,491</u>	<u>\$ 35</u>	<u>\$ 1,264</u>	<u>\$ 48,069</u>

City of Denison, Texas

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

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	Law Enforcement Forfeitures	Police Training	Municipal Court Security	Municipal Court Technology
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	24,805	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	12,671	10,817
Investment income	83	11	63	141
Contributions and donations	-	-	-	-
Other revenue	-	3,107	-	-
Total Revenues	24,888	3,118	12,734	10,958
Expenditures				
Current:				
General government	-	-	-	-
Public safety	6,701	3,118	-	-
Community services	-	-	-	2,972
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	6,701	3,118	-	2,972
Revenues Over (Under) Expenditures	18,187	-	12,734	7,986
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	18,187	-	12,734	7,986
Beginning fund balances	9,635	-	4,237	20,622
Ending Fund Balances	\$ 27,822	\$ -	\$ 16,971	\$ 28,608

Truancy & Prevention Diversion	Municipal Jury	Improvement Fund	Federal Relief	Total
\$ -	\$ -	\$ -	\$ -	\$ 2,699,717
-	-	-	3,663,306	3,848,836
-	-	15,000	-	626,502
11,982	239	-	-	35,709
53	1	23	6,589	55,207
-	-	-	-	48,000
-	-	-	-	539,346
<u>12,035</u>	<u>240</u>	<u>15,023</u>	<u>3,669,895</u>	<u>7,853,317</u>
-	-	10,803	-	354,020
-	-	-	-	85,978
-	-	-	-	419,697
-	-	-	-	334,863
-	-	-	-	1,585,666
-	-	-	-	568,814
-	-	<u>10,803</u>	-	<u>3,349,038</u>
<u>12,035</u>	<u>240</u>	<u>4,220</u>	<u>3,669,895</u>	<u>4,504,279</u>
-	-	-	-	955,972
-	-	-	-	(372,344)
-	-	-	-	<u>583,628</u>
<u>12,035</u>	<u>240</u>	<u>4,220</u>	<u>3,669,895</u>	<u>5,087,907</u>
<u>2,916</u>	<u>58</u>	<u>-</u>	<u>-</u>	<u>2,396,676</u>
<u>\$ 14,951</u>	<u>\$ 298</u>	<u>\$ 4,220</u>	<u>\$ 3,669,895</u>	<u>\$ 7,484,583</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, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 820,490	\$ 766,679	\$ (53,811)
Investment income	16,050	4,620	(11,430)
Total Revenues	836,540	771,299	(65,241)
 <u>Expenditures</u>			
Current:			
Capital outlay	5,000	334,863	(329,863)
Debt Service:			
Principal	95,000	95,000	-
Interest and fiscal charges	34,615	34,591	24
Total Expenditures	134,615	464,454	(329,839) *
Revenues Over (Under) Expenditures	701,925	306,845	(395,080)
 <u>Other Financing Sources (Uses)</u>			
Transfers (out)	(1,000)	(39,026)	(38,026) *
Total Other Financing Sources (Uses)	(1,000)	(39,026)	(38,026)
Net Change in Fund Balances	\$ 700,925	267,819	\$ (433,106)
Beginning fund balances		465,366	
Ending Fund Balances		\$ 733,185	

Notes to Other Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL INTEREST AND SINKING
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 2,062,810	\$ 1,933,038	\$ (129,772)
Investment income	14,000	5,015	(8,985)
Total Revenues	2,076,810	1,938,053	(138,757)
 <u>Expenditures</u>			
Debt Service:			
Principal	1,322,600	1,320,666	1,934
Interest and fiscal charges	509,459	506,193	3,266
Total Expenditures	1,832,059	1,826,859	5,200
 <u>Other Financing Sources (Uses)</u>			
Transfers in	-	445,000	445,000
Transfers (out)	(108,683)	(108,682)	1
Total Other Financing Sources (Uses)	(108,683)	336,318	445,001
Net Change in Fund Balances	\$ 136,068	447,512	\$ 311,444
Beginning fund balances		962,085	
Ending Fund Balances		\$ 1,409,597	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL BOND FUND
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 11,907,202	\$ 801,911	\$ (11,105,291)
Investment income	3,000	7,172	4,172
Total Revenues	11,910,202	809,083	(11,101,119)
<u>Expenditures</u>			
Current:			
Community services	12,594,286	2,564,052	10,030,234
Capital outlay	-	1,308,893	(1,308,893)
Debt Service:			
Principal	740,000	740,000	-
Interest and fiscal charges	81,176	81,059	117
Bond issuance costs	161,203	161,203	-
Total Expenditures	13,576,665	4,855,207	8,721,458
Revenues Over (Under) Expenditures	(1,666,463)	(4,046,124)	(2,379,661)
<u>Other Financing Sources (Uses)</u>			
Transfers in	(10,042)	143,425	153,467
Bond issuance	-	12,295,000	12,295,000
Premium on bond issuance	-	1,366,013	1,366,013
Total Other Financing Sources (Uses)	(10,042)	13,804,438	13,814,480
Net Change in Fund Balance	\$ (1,676,505)	9,758,314	\$ 11,434,819
Beginning fund balance		1,505,258	
Ending Fund Balance		\$ 11,263,572	

Notes to Other Supplementary Information

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

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, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 15,000	\$ 8,020	\$ (6,980)
Investment income	1,000	1,291	291
Total Revenues	16,000	9,311	(6,689)
Revenues Over (Under) Expenditures	16,000	9,311	(6,689)
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(15,000)	(8,020)	6,980
Total Other Financing Sources (Uses)	(15,000)	(8,020)	6,980
Net Change in Fund Balances	\$ 1,000	1,291	\$ 291
Beginning fund balances		9,146	
Ending Fund Balances		\$ 10,437	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STREET IMPROVEMENT
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ 5,000	\$ 7,297	\$ 2,297
Other revenue	-	12,698	12,698
Total Revenues	5,000	19,995	14,995
 <u>Expenditures</u>			
Capital outlay	7,851,329	1,093,037	6,758,292
Total Expenditures	7,851,329	1,093,037	6,758,292
Revenues Over (Under) Expenditures	(7,846,329)	(1,073,042)	6,773,287
 <u>Other Financing Sources (Uses)</u>			
Transfers in	945,000	945,000	-
Transfers (out)	(445,000)	(445,000)	-
Total Other Financing Sources (Uses)	500,000	500,000	-
Net Change in Fund Balances	\$ (7,346,329)	(573,042)	\$ 6,773,287
Beginning fund balances		7,430,217	
Ending Fund Balances		\$ 6,857,175	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DENISON PUBLIC LIBRARY
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 75,700	\$ 97,279	\$ 21,579
Investment income	2,000	1,212	(788)
Total Revenues	77,700	98,491	20,791
<u>Expenditures</u>			
Current:			
General government	50,700	57,167	(6,467)
Total Expenditures	50,700	57,167	(6,467)
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(60,137)	-	60,137
Total Other Financing Sources (Uses)	(60,137)	-	60,137
Net Change in Fund Balances	\$ (33,137)	41,324	\$ 74,461
Beginning fund balances		176,320	
Ending Fund Balances		\$ 217,644	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL FORFEITURES
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ 1,000	\$ 447	\$ (553)
Total Revenues	1,000	447	(553)
 <u>Expenditures</u>			
Current:			
Public safety	35,000	33,926	1,074
Total Expenditures	35,000	33,926	1,074
Revenues Over (Under) Expenditures	(34,000)	(33,479)	521
Net Change in Fund Balances	\$ (34,000)	(33,479)	\$ 521
Beginning fund balances		92,327	
Ending Fund Balances		\$ 58,848	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FIRE EQUIPMENT
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ -	\$ 600	\$ 600
Investment income	30	32	2
Total Revenues	30	632	602
<u>Expenditures</u>			
Current:			
Public safety	3,500	-	3,500
Total Expenditures	3,500	-	3,500
Net Change in Fund Balances	\$ (3,470)	632	\$ 4,102
Beginning fund balances		4,878	
Ending Fund Balances		\$ 5,510	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARKS & RECREATION
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 522,000	\$ 568,817	\$ 46,817
Investment income	5,000	3,309	(1,691)
Other revenue	-	178,972	178,972
Total Revenues	527,000	751,098	224,098
<u>Expenditures</u>			
Current:			
Culture and recreation	617,239	416,725	200,514
Total Expenditures	617,239	416,725	200,514
Revenues Over (Under) Expenditures	(90,239)	334,373	424,612
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(5,948)	(216,616)	(210,668) *
Total Other Financing Sources (Uses)	(5,948)	(216,616)	(210,668)
Net Change in Fund Balances	\$ (96,187)	117,757	\$ 213,944
Beginning fund balances		356,167	
Ending Fund Balances		\$ 473,924	

Notes to Other Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LAW ENFORCEMENT FORFEITURES
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 25,000	\$ -	\$ (25,000)
Intergovernmental	-	24,805	24,805
Investment income	800	83	(717)
Total Revenues	25,800	24,888	(912)
<u>Expenditures</u>			
Current:			
Public safety	34,100	6,701	27,399
Total Expenditures	34,100	6,701	27,399
Revenues Over (Under) Expenditures	(8,300)	18,187	26,487
Net Change in Fund Balances	\$ (8,300)	18,187	\$ 26,487
Beginning fund balances		9,635	
Ending Fund Balances		\$ 27,822	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL EVENTS
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Other income	\$ 177,000	\$ 152,902	\$ (24,098)
Investment income	100	11	(89)
Total Revenues	177,100	152,913	(24,187)
 <u>Expenditures</u>			
Current:			
General government	177,752	163,299	14,453
Total Expenditures	177,752	163,299	14,453
Revenues Over (Under) Expenditures	(652)	(10,386)	(9,734)
Net Change in Fund Balances	\$ (652)	(10,386)	\$ (9,734)
Beginning fund balances		17,941	
Ending Fund Balances		\$ 7,555	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT SECURITY
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 6,000	\$ 12,671	\$ 6,671
Investment income	100	63	(37)
Total Revenues	6,100	12,734	6,634
 <u>Expenditures</u>			
Current:			
Public service	6,000	-	6,000
Total Expenditures	6,000	-	6,000
Revenues Over (Under) Expenditures	100	12,734	12,634
Net Change in Fund Balances	\$ 100	12,734	\$ 12,634
Beginning fund balances		4,237	
Ending Fund Balances		\$ 16,971	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT TECHNOLOGY
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 8,000	\$ 10,817	\$ 2,817
Investment income	500	141	(359)
Total Revenues	8,500	10,958	2,458
 <u>Expenditures</u>			
Current:			
Public service	11,000	2,972	8,028
Total Expenditures	11,000	2,972	8,028
Revenues Over (Under) Expenditures	(2,500)	7,986	10,486
Net Change in Fund Balances	\$ (2,500)	7,986	\$ 10,486
Beginning fund balances		20,622	
Ending Fund Balances		\$ 28,608	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FIRE TRAINING
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 750	\$ 3,250	\$ 2,500
Investment income	50	31	(19)
Total Revenues	800	3,281	2,481
Revenues Over (Under) Expenditures	800	3,281	2,481
Net Change in Fund Balances	\$ 800	3,281	\$ 2,481
Beginning fund balances		3,684	
Ending Fund Balances		\$ 6,965	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HOMELAND SECURITY GRANT
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 36,234	\$ -	\$ (36,234)
Investment income	50	12	(38)
Total Revenues	36,284	12	(36,272)
 <u>Expenditures</u>			
Current:			
Public safety	36,234	-	36,234
Total Expenditures	36,234	-	36,234
Net Change in Fund Balances	\$ 50	12	\$ (38)
Beginning fund balances		2,009	
Ending Fund Balances		\$ 2,021	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
VEHICLE SEIZURES
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ 25	\$ 7	\$ (18)
Total Revenues	25	7	(18)
Net Change in Fund Balances	\$ 25	7	\$ (18)
Beginning fund balances		1,257	
Ending Fund Balances		\$ 1,264	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CANINE
For the Year Ended September 30, 2021

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Other revenue	\$ -	\$ 6,300	\$ 6,300
Investment income	375	114	(261)
Total Revenues	<u>375</u>	<u>6,414</u>	<u>6,039</u>
<u>Expenditures</u>			
Current:			
Public safety	-	32,994	(32,994)
Total Expenditures	<u>-</u>	<u>32,994</u>	<u>(32,994) *</u>
Revenues Over (Under) Expenditures	<u>375</u>	<u>(26,580)</u>	<u>(26,955)</u>
Net Change in Fund Balances	<u>\$ 375</u>	<u>(26,580)</u>	<u>\$ (26,955)</u>
Beginning fund balances		29,692	
Ending Fund Balances		<u>\$ 3,112</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.
- * Expenditures exceeded appropriations at the legal level of control.

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
POLICE TRAINING
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ 50	\$ 11	\$ (39)
Other revenue	3,000	3,107	107
Total Revenues	3,050	3,118	68
 <u>Expenditures</u>			
Current:			
Public safety	3,000	3,118	(118)
Total Expenditures	3,000	3,118	(118) *
Revenues Over (Under) Expenditures	50	-	(50)
Net Change in Fund Balances	\$ 50	-	\$ (50)
Beginning fund balances		-	
Ending Fund Balances		\$ -	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.
- * Expenditures exceeded appropriations at the legal level of control.

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
POLICE EQUIPMENT
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 5,000	\$ 10,426	\$ 5,426
Investment income	100	9	(91)
Total Revenues	5,100	10,435	5,335
<u>Expenditures</u>			
Current:			
Public safety	5,000	9,239	(4,239)
Total Expenditures	5,000	9,239	(4,239) *
Revenues Over (Under) Expenditures	100	1,196	1,096
Net Change in Fund Balances	\$ 100	1,196	\$ 1,096
Beginning fund balances		295	
Ending Fund Balances		\$ 1,491	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.
- * Expenditures exceeded appropriations at the legal level of control.

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TRUANCY PREVENTION & DIVERSION
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 1,800	\$ 11,982	\$ 10,182
Investment income	-	53	53
Total Revenues	1,800	12,035	10,235
Revenues Over (Under) Expenditures	1,800	12,035	10,235
Net Change in Fund Balances	\$ 1,800	12,035	\$ 10,235
Beginning fund balances		2,916	
Ending Fund Balances		\$ 14,951	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL JURY
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 50	\$ 239	\$ 189
Investment income	-	1	1
Total Revenues	50	240	190
Revenues Over (Under) Expenditures	50	240	190
Net Change in Fund Balances	\$ 50	240	\$ 190
Beginning fund balances		58	
Ending Fund Balances		\$ 298	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
THE PARK
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Other income	\$ 4,000	\$ 35	\$ (3,965)
Total Revenues	4,000	35	(3,965)
<u>Expenditures</u>			
Current:			
General government	4,000	-	4,000
Total Expenditures	4,000	-	4,000
Revenues Over (Under) Expenditures	-	35	35
Net Change in Fund Balances	\$ -	35	\$ 35
Beginning fund balances		-	
Ending Fund Balances		\$ 35	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
RETIREE MEDICAL
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Donations	\$ 1,200,000	\$ -	\$ (1,200,000)
Total Revenues	1,200,000	-	(1,200,000)
<u>Expenditures</u>			
Current:			
General government	1,200,000	-	1,200,000
Total Expenditures	1,200,000	-	1,200,000
Revenues Over (Under) Expenditures	-	-	-
Net Change in Fund Balances	\$ -	-	\$ -
Beginning fund balances		-	
Ending Fund Balances		\$ -	

Notes to Other Supplementary Information

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

City of Denison, Texas
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2021

	Custodial Funds		
	Police Seizure	Sister City	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 103,901	\$ 16,333	\$ 120,234
Total Assets	103,901	16,333	120,234
<u>Liabilities</u>			
Other accrued liabilities			
Total Liabilities	-	-	-
<u>Net Position</u>			
Restricted for organizations and other governments	103,901	16,333	120,234
Total Liabilities	\$ 103,901	\$ 16,333	\$ 120,234

See Notes to Financial Statements.

City of Denison, Texas
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Year Ended September 30, 2021

		Custodial Funds		
		Police Seizure	Sister City	Total
<u>Additions</u>				
	Contributions	\$ 12,739	\$ -	\$ 12,739
	Total Additions	12,739	-	12,739
 <u>Deductions</u>				
	Intergovernmental	24,805	-	24,805
	Total Deductions	24,805	-	24,805
	Change in Net Position	(12,066)	-	(12,066)
	Beginning net position	115,967	16,333	132,300
	Ending Net Position	\$ 103,901	\$ 16,333	\$ 120,234

See Notes to Financial Statements.

City of Denison, Texas
COMBINING SCHEDULE OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2021

	Denison Business and Industrial Corporation	Denison Community Investment Corporation*	Denison Public Library Endowment Fund	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 4,672,288	\$ 103,562	\$ 19,421	\$ 4,795,271
Investments	-	384,592	-	384,592
Restricted assets - cash	-	23,418	-	23,418
Retricted assets - investments	-	-	836,099	836,099
Receivables, net	440,112	1,997	-	442,109
Prepaid items	1,330	-	-	1,330
Notes receivable, current	-	142,313	-	142,313
Total Current Assets	5,113,730	655,882	855,520	6,625,132
Note receivable - long-term portion	-	1,005,705	-	1,005,705
Capital assets:				
Non-depreciable	1,699,343	-	-	1,699,343
Net depreciable capital assets	2,861,008	-	-	2,861,008
Total Noncurrent Assets	4,560,351	1,005,705	-	5,566,056
Total Assets	9,674,081	1,661,587	855,520	12,191,188
<u>Liabilities</u>				
Accounts payable and accrued liabilities	203,752	-	1,517	205,269
Escrow payable	-	23,418	-	23,418
Accrued interest payable	1,430	-	-	1,430
Compensated absences - current	8,954	-	-	8,954
Debt due within one year	72,000	-	-	72,000
	286,136	23,418	1,517	311,071
Noncurrent liabilities:				
Compensated absences - noncurrent	80,590	-	-	80,590
Debt due in more than one year	229,000	-	-	229,000
	309,590	-	-	309,590
Total Liabilities	595,726	23,418	1,517	620,661
<u>Net Position</u>				
Net investment in capital assets	4,259,351	-	-	4,259,351
Restricted				
Debt service	13,259	-	-	13,259
Unrestricted	4,805,745	1,638,169	854,003	7,297,917
Total Net Position	\$ 9,078,355	\$ 1,638,169	\$ 854,003	\$ 11,570,527

*Note: As of December 31, 2020

City of Denison, Texas
COMBINING SCHEDULE OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Component Units				
Governmental Activities				
Business and Industrial	\$ 1,336,162	\$ 491,295	\$ -	\$ 6,664
Public Library Endowment Fund	63,952	-	9,875	-
Total Governmental Activities	<u>1,400,114</u>	<u>491,295</u>	<u>9,875</u>	<u>6,664</u>
Business-Type Activities				
Community Investment	22,373	-	-	-
Total Business-Type Activities	<u>22,373</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Component Units	<u>\$ 1,422,487</u>	<u>\$ 491,295</u>	<u>\$ 9,875</u>	<u>\$ 6,664</u>

General Revenues:

Sales taxes
Investment income
Other revenues

Total General Revenues

Change in Net Position

Beginning Net Position

Ending Net Position

*Note: For the year ended December 31, 2020

Net (Expense) Revenue and Changes in Net Position

Denison Business and Industrial Corporation	Denison Community Investment Corporation*	Denison Public Library Endowment Fund	Total
\$ (838,203)	\$ -	\$ -	\$ (838,203)
-	-	(54,077)	(54,077)
<u>(838,203)</u>	<u>-</u>	<u>(54,077)</u>	<u>(892,280)</u>
-	(22,373)	-	(22,373)
-	(22,373)	-	(22,373)
<u>\$ (838,203)</u>	<u>\$ (22,373)</u>	<u>\$ (54,077)</u>	<u>\$ (914,653)</u>
2,228,656	-	-	2,228,656
25,212	10,878	19,798	55,888
1,000	21,909	140,541	163,450
<u>2,254,868</u>	<u>32,787</u>	<u>160,339</u>	<u>2,447,994</u>
1,416,665	10,414	106,262	1,533,341
7,661,690	1,627,755	747,741	10,037,186
<u>\$ 9,078,355</u>	<u>\$ 1,638,169</u>	<u>\$ 854,003</u>	<u>\$ 11,570,527</u>



STATISTICAL SECTION

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

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Financial Trends	146
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	158
------------------	-----

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

Debt Capacity	166
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information	173
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information	176
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Denison, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2021	2020	2019	2018
Governmental activities				
Net investment in capital assets	\$ 40,778,772	\$ 38,828,612	\$ 37,535,804	\$ 37,495,796
Restricted	7,093,933	1,305,137	1,645,398	773,847
Unrestricted	(280,890)	(1,912,786)	(3,251,881)	(51,283)
Total governmental activities net position	\$ 47,591,815	\$ 38,220,963	\$ 35,929,321	\$ 38,218,360
 Business-type activities				
Net investment in capital assets	\$ 19,133,046	\$ 21,327,908	\$ 18,465,710	\$ 18,227,222
Restricted	-	-	-	-
Unrestricted	8,338,628	4,777,839	5,973,273	3,693,557
Total business-type activities net position	\$ 27,471,674	\$ 26,105,747	\$ 24,438,983	\$ 21,920,779
 Primary government				
Net investment in capital assets	\$ 59,911,818	\$ 60,156,520	\$ 56,001,514	\$ 55,723,018
Restricted	7,093,933	1,305,137	1,645,398	773,847
Unrestricted	8,057,738	2,865,053	2,721,392	3,642,274
Total primary government net position	\$ 75,063,489	\$ 64,326,710	\$ 60,368,304	\$ 60,139,139

Source: Audited city financials

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 37,132,818	\$ 35,036,127	\$ 26,366,449	\$ 26,183,653	\$ 25,489,295	\$ 25,010,721
501,914	481,114	315,807	284,879	790,267	2,401,922
<u>(364,665)</u>	<u>1,024,406</u>	<u>2,058,721</u>	<u>1,251,676</u>	<u>6,124,351</u>	<u>3,383,793</u>
<u>\$ 37,270,067</u>	<u>\$ 36,541,647</u>	<u>\$ 28,740,977</u>	<u>\$ 27,720,208</u>	<u>\$ 32,403,913</u>	<u>\$ 30,796,436</u>
\$ 17,982,620	\$ 17,690,856	\$ 17,614,946	\$ 17,361,833	\$ 18,066,238	\$ 17,566,714
-	-	-	-	308,663	1,367,649
<u>3,285,060</u>	<u>3,199,098</u>	<u>3,399,905</u>	<u>3,361,574</u>	<u>2,691,624</u>	<u>2,564,301</u>
<u>\$ 21,267,680</u>	<u>\$ 20,889,954</u>	<u>\$ 21,014,851</u>	<u>\$ 20,723,407</u>	<u>\$ 21,066,525</u>	<u>\$ 21,498,664</u>
\$ 55,115,438	\$ 52,726,983	\$ 43,981,395	\$ 43,545,486	\$ 43,555,533	\$ 42,577,435
501,914	481,114	315,807	284,879	1,098,930	3,769,571
<u>2,920,395</u>	<u>4,223,504</u>	<u>5,458,626</u>	<u>4,613,250</u>	<u>8,815,975</u>	<u>5,948,094</u>
<u>\$ 58,537,747</u>	<u>\$ 57,431,601</u>	<u>\$ 49,755,828</u>	<u>\$ 48,443,615</u>	<u>\$ 53,470,438</u>	<u>\$ 52,295,100</u>

City of Denison, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2021	2020	2019	2018
Expenses				
Governmental activities:				
General government	\$ 4,723,205	\$ 4,979,074	\$ 5,675,190	\$ 5,592,849
Public safety	11,944,545	11,807,727	12,903,441	11,341,795
Community services	6,532,744	6,396,781	5,776,713	4,055,461
Public works	6,101,920	6,849,224	6,804,281	6,324,708
Interest on long-term debt	1,030,163	651,586	506,897	538,988
Total governmental activities expenses	30,332,577	30,684,392	31,666,522	27,853,801
Business-type activities:				
Water and sewer	10,882,636	10,164,849	10,545,353	9,771,531
Total business-type activities expenses	10,882,636	10,164,849	10,545,353	9,771,531
Total primary government expenses	\$ 41,215,213	\$ 40,849,241	\$ 42,211,875	\$ 37,625,332
 Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 310,850	\$ 1,231,546	\$ 1,418,334	\$ 1,243,624
Public safety	1,200,216	910,917	1,829,812	2,353,054
Community services	2,118,081	1,652,774	1,688,766	1,446,762
Public works	5,821,317	5,654,494	5,410,774	5,394,334
Operating grants and contributions	912,461	1,668,713	449,370	819,419
Capital grants and contributions	5,260,875	-	-	-
Total governmental activities program revenues	15,623,800	11,118,444	10,797,056	11,257,193
Business-type activities:				
Charges for services:				
Water and sewer	14,518,795	13,736,756	12,783,394	12,555,348
Operating grants and contributions	-	25,375	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	14,518,795	13,762,131	12,783,394	12,555,348
Total primary government program revenues	\$ 30,142,595	\$ 24,880,575	\$ 23,580,450	\$ 23,812,541

Source: Audited city financials

2017	2016	2015	2014	2013	2012
\$ 6,217,065	\$ 4,676,013	\$ 4,368,406	\$ 4,435,657	\$ 4,440,637	\$ 3,688,863
11,552,027	10,918,408	9,790,527	10,211,949	9,971,406	10,155,901
4,288,512	4,124,284	3,708,493	3,536,025	2,896,243	3,082,804
6,157,746	4,953,880	5,524,477	6,092,200	5,365,405	5,643,181
489,753	305,847	239,722	208,340	280,610	263,639
<u>28,705,103</u>	<u>24,978,432</u>	<u>23,631,625</u>	<u>24,484,171</u>	<u>22,954,301</u>	<u>22,834,388</u>
9,557,924	9,456,049	9,350,407	8,633,070	8,877,882	8,559,045
<u>9,557,924</u>	<u>9,456,049</u>	<u>9,350,407</u>	<u>8,633,070</u>	<u>8,877,882</u>	<u>8,559,045</u>
<u>\$ 38,263,027</u>	<u>\$ 34,434,481</u>	<u>\$ 32,982,032</u>	<u>\$ 33,117,241</u>	<u>\$ 31,832,183</u>	<u>\$ 31,393,433</u>
\$ 1,214,347	\$ 901,405	\$ 1,038,224	\$ 1,288,598	\$ 1,557,029	\$ 705,004
1,860,847	2,237,545	2,230,118	1,503,310	1,694,965	2,233,680
1,405,039	1,170,975	1,084,003	1,100,612	1,275,625	790,515
5,178,881	4,948,606	4,882,630	4,709,727	5,457,436	5,486,032
224,280	1,199,819	533,356	789,741	43,392	83,496
272,525	-	-	-	505,221	673,301
<u>10,155,919</u>	<u>10,458,350</u>	<u>9,768,331</u>	<u>9,391,988</u>	<u>10,533,668</u>	<u>9,972,028</u>
11,925,469	11,035,471	10,874,750	9,890,510	9,656,556	10,160,350
-	-	-	-	-	-
-	-	-	-	-	189,642
<u>11,925,469</u>	<u>11,035,471</u>	<u>10,874,750</u>	<u>9,890,510</u>	<u>9,656,556</u>	<u>10,349,992</u>
<u>\$ 22,081,388</u>	<u>\$ 21,493,821</u>	<u>\$ 20,643,081</u>	<u>\$ 19,282,498</u>	<u>\$ 20,190,224</u>	<u>\$ 20,322,020</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net (Expenses) Revenue				
Governmental activities	\$ (14,708,777)	\$ (19,565,948)	\$ (20,869,466)	\$ (16,596,608)
Business-type activities	3,636,159	3,597,282	2,238,041	2,783,817
Total primary government net expense	<u>\$ (11,072,618)</u>	<u>\$ (15,968,666)</u>	<u>\$ (18,631,425)</u>	<u>\$ (13,812,791)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 12,248,777	\$ 11,069,151	\$ 10,049,035	\$ 8,861,579
Sales taxes	6,686,699	6,112,237	5,710,960	5,591,271
Franchise and local taxes	2,032,350	1,760,562	1,974,020	1,936,874
Other revenues	712,483	719,271	624,662	735,762
Investment earnings	95,150	126,053	216,726	163,508
Gain (Loss) on sale of capital assets	-	-	-	-
Change in interest in recipient org.	-	-	-	-
Transfers	2,304,170	2,070,316	5,024	1,539,284
Total governmental activities	<u>24,079,629</u>	<u>21,857,590</u>	<u>18,580,427</u>	<u>18,828,278</u>
Business-type activities:				
Miscellaneous	-	-	-	-
Investment earnings	33,938	139,798	285,187	108,868
Gain (Loss) on sale of capital assets	-	-	-	-
Transfers	(2,304,170)	(2,070,316)	(5,024)	(1,539,284)
Total business-type activities	<u>(2,270,232)</u>	<u>(1,930,518)</u>	<u>280,163</u>	<u>(1,430,416)</u>
Total primary government	<u>\$ 21,809,397</u>	<u>\$ 19,927,072</u>	<u>\$ 18,860,590</u>	<u>\$ 17,397,862</u>
Change in Net Position				
Governmental activities	\$ 9,370,852	\$ 2,291,642	\$ (2,289,039)	\$ 2,231,670
Business-type activities	1,365,927	1,666,764	2,518,204	1,353,401
Total primary government	<u>\$ 10,736,779</u>	<u>\$ 3,958,406</u>	<u>\$ 229,165</u>	<u>\$ 3,585,071</u>

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

2017	2016	2015	2014	2013	2012
\$ (18,549,184)	\$ (14,520,082)	\$ (13,863,294)	\$ (15,092,183)	\$ (12,420,633)	\$ (12,862,360)
2,367,545	1,579,422	1,524,343	1,257,440	778,674	1,790,947
<u>\$ (16,181,639)</u>	<u>\$ (12,940,660)</u>	<u>\$ (12,338,951)</u>	<u>\$ (13,834,743)</u>	<u>\$ (11,641,959)</u>	<u>\$ (11,071,413)</u>
\$ 8,507,756	\$ 7,669,631	\$ 7,170,676	\$ 6,793,411	\$ 6,422,518	\$ 6,316,736
5,148,801	4,717,022	4,417,481	4,154,796	4,228,912	4,037,861
1,788,815	1,837,245	1,861,481	1,965,979	1,848,653	1,847,884
859,401	625,210	32,325	375,221	239,834	255,223
105,995	45,826	143,629	33,241	42,015	26,380
50,000	(567,217)	-	-	-	-
-	-	-	-	12,855	17,654
2,023,317	1,687,361	1,258,471	1,225,000	1,233,324	1,033,309
<u>18,484,085</u>	<u>16,015,078</u>	<u>14,884,063</u>	<u>14,547,648</u>	<u>14,028,111</u>	<u>13,535,047</u>
-	-	-	-	3,150	-
33,498	28,985	25,572	13,976	19,362	44,603
-	(45,943)	-	-	-	-
(2,023,317)	(1,687,361)	(1,258,471)	(1,225,000)	(1,233,324)	(1,033,309)
<u>(1,989,819)</u>	<u>(1,704,319)</u>	<u>(1,232,899)</u>	<u>(1,211,024)</u>	<u>(1,210,812)</u>	<u>(988,706)</u>
<u>\$ 16,494,266</u>	<u>\$ 14,310,759</u>	<u>\$ 13,651,164</u>	<u>\$ 13,336,624</u>	<u>\$ 12,817,299</u>	<u>\$ 12,546,341</u>
\$ (65,099)	\$ 1,494,996	\$ 1,020,769	\$ (544,535)	\$ 1,607,478	\$ 672,687
377,726	(124,897)	291,444	46,416	(432,138)	802,241
<u>\$ 312,627</u>	<u>\$ 1,370,099</u>	<u>\$ 1,312,213</u>	<u>\$ (498,119)</u>	<u>\$ 1,175,340</u>	<u>\$ 1,474,928</u>



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
2012	\$ 6,316,736	\$ 1,485,993	\$ 4,037,861	\$ 328,853	\$ 33,038	\$ 12,202,481
2013	\$ 6,422,518	\$ 1,426,639	\$ 4,228,912	\$ 380,087	\$ 41,927	\$ 12,500,083
2014	\$ 6,793,411	\$ 1,475,585	\$ 4,154,796	\$ 435,366	\$ 55,028	\$ 12,914,186
2015	\$ 7,192,805	\$ 1,441,300	\$ 4,417,481	\$ 368,846	\$ 51,335	\$ 13,471,767
2016	\$ 7,471,696	\$ 1,383,876	\$ 4,562,899	\$ 409,558	\$ 43,811	\$ 13,871,840
2017	\$ 8,507,756	\$ 1,371,528	\$ 5,148,801	\$ 371,452	\$ 45,835	\$ 15,445,372
2018	\$ 8,616,569	\$ 1,457,997	\$ 5,553,586	\$ 477,341	\$ 48,112	\$ 16,153,605
2019	\$ 9,507,352	\$ 1,458,202	\$ 6,330,200	\$ 422,336	\$ 54,922	\$ 17,773,011
2020	\$ 10,844,770	\$ 1,580,769	\$ 6,112,237	\$ 356,235	\$ 63,095	\$ 18,957,106
2021	\$ 11,896,581	\$ 1,567,922	\$ 6,571,066	\$ 501,901	\$ 73,292	\$ 20,610,762

Source: Audited city financials

City of Denison, Texas

FUND BALANCES OF GOVERNMENTAL FUNDS

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

	2021	2020	2019	2018
General Fund				
Nonspendable	\$ 468,408	\$ 252,330	\$ 327,573	\$ 88,498
Restricted	1,100,000	-	-	-
Committed	206,162	474,294	386,981	751,725
Assigned	-	-	-	-
Unassigned	8,101,334	5,884,269	6,251,513	6,857,817
Total general fund	\$ 9,875,904	\$ 6,610,893	\$ 6,966,067	\$ 7,698,040
 All Other Governmental Funds				
Restricted	\$ 24,114,680	\$ 10,245,490	\$ 1,645,398	\$ 2,385,232
Committed	1,229,356	848,620	935,347	877,138
Assigned	269,715	238,796	235,516	245,622
Unassigned	(8,421)	(755)	(75,058)	(260,195)
Total all other governmental funds	\$ 25,605,330	\$ 11,332,151	\$ 2,741,203	\$ 3,247,797

Notes: The City implemented GASB Statement No. 54

"Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

Source: Audited city financials

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 109,918	\$ 113,434	\$ 86,063	\$ 111,432	\$ 124,192	\$ 141,305
-	-	-	26,461	16,762	648,060
1,706,012	1,706,012	1,781,095	1,358,671	1,322,492	1,741,448
-	-	-	-	637,602	200,000
6,187,054	5,743,218	6,168,066	5,590,148	3,942,369	2,728,210
<u>\$ 8,002,984</u>	<u>\$ 7,562,664</u>	<u>\$ 8,035,224</u>	<u>\$ 7,086,712</u>	<u>\$ 6,043,417</u>	<u>\$ 5,459,023</u>
\$ 13,890,862	\$ 10,853,153	\$ 1,848,023	\$ 3,365,871	\$ 4,629,922	\$ 2,401,922
728,932	674,417	514,828	399,939	765,561	423,713
247,863	277,204	220,142	250,138	265,716	1,349,847
(2,127)	(21,824)	(16,858)	(11,919)	(7,567)	(46,610)
<u>\$ 14,865,530</u>	<u>\$ 11,782,950</u>	<u>\$ 2,566,135</u>	<u>\$ 4,004,029</u>	<u>\$ 5,653,632</u>	<u>\$ 4,128,872</u>

City of Denison, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

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

	2021	2020	2019	2018
Revenues				
Taxes	\$ 20,950,404	\$ 18,890,254	\$ 17,686,489	\$ 16,324,904
Licenses, permits, and fees	884,066	767,573	607,804	523,420
Operating contributions	-	1,334,468	797,349	25,900
Capital contributions	-	-	445,540	1,587,038
Intergovernmental	6,497,050	-	-	-
Charges for services	8,076,671	8,637,896	9,560,848	9,321,868
Fines and forfeitures	475,924	316,459	400,547	601,428
Investment earnings	95,150	126,053	216,726	163,508
From other agencies	-	-	-	-
Other revenues	961,836	803,623	624,662	735,762
Total Revenues	37,941,101	30,876,326	30,339,965	29,283,828
Expenditures				
Current:				
General government	4,607,099	4,260,806	5,256,116	5,496,424
Public safety	11,344,112	11,350,803	11,618,750	10,467,072
Community services	6,283,141	6,252,363	6,468,070	3,974,436
Public works	5,596,970	6,231,492	6,382,160	5,740,187
Capital outlay	5,730,452	3,013,046	2,399,460	16,041,273
Debt Service:				
Principal retirement	3,078,280	2,733,212	2,656,495	2,387,944
Interest and fiscal changes	894,450	682,306	531,477	580,881
Total Expenditures	37,534,504	34,524,028	35,312,528	44,688,217
Excess of Revenues Over (Under)				
Expenditures	406,597	(3,647,702)	(4,972,563)	(15,404,389)
Other financing sources (uses)				
Bond issuance	12,295,000	8,750,000	-	1,000,000
Payments on refunding bonds	-	-	-	-
Net bond premium and discounts	1,366,013	1,024,909	-	-
Capital lease issuance	1,100,000	-	1,887,500	790,378
Proceeds from sale of capital assets	104,973	-	-	-
Transfers, net	2,304,170	2,070,316	1,846,493	2,019,378
Total Other Financing Sources (Uses)	17,170,156	11,845,225	3,733,993	3,809,756
Net change in fund balances	\$ 17,576,753	\$ 8,197,523	\$ (1,238,570)	\$ (11,594,633)
Debt service as percentage of noncapital expenditures	12.5%	9.9%	10.2%	10.4%

Source: Audited city financials

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 15,470,740	\$ 14,225,726	\$ 13,479,894	\$ 12,897,439	\$ 12,544,400	\$ 12,154,825
512,456	304,911	261,607	280,531	253,606	414,469
224,280	406,300	79,525	72,329	-	16,682
793,519	793,519	-	-	125,022	124,063
-	-	453,831	717,412	267,500	100,000
8,889,643	8,448,748	8,448,544	8,458,972	8,048,351	8,288,931
456,094	568,599	543,089	520,751	581,630	574,437
105,995	45,826	32,325	33,241	42,016	26,380
-	-	-	-	-	549,238
859,401	774,822	543,241	774,833	903,449	255,223
<u>27,312,128</u>	<u>25,568,451</u>	<u>23,842,056</u>	<u>23,755,508</u>	<u>22,765,974</u>	<u>22,504,248</u>
5,545,323	4,686,707	4,156,486	4,844,552	4,524,438	3,469,523
10,597,386	10,023,933	9,643,623	9,506,635	9,113,861	9,770,046
6,765,751	4,152,743	6,292,975	6,379,924	3,196,805	3,006,264
5,751,542	5,420,051	2,317,968	2,677,186	4,870,220	5,135,350
1,930,282	744,496	3,318,030	2,790,311	1,555,758	759,821
1,787,351	1,159,923	1,094,496	955,440	1,071,841	845,590
534,827	311,704	281,184	257,640	250,202	273,271
<u>32,912,462</u>	<u>26,499,557</u>	<u>27,104,762</u>	<u>27,411,688</u>	<u>24,583,125</u>	<u>23,259,865</u>
<u>(5,600,334)</u>	<u>(931,106)</u>	<u>(3,262,706)</u>	<u>(3,656,180)</u>	<u>(1,817,151)</u>	<u>(755,617)</u>
7,350,000	7,475,000	-	1,435,000	5,682,800	-
-	-	-	-	(3,530,000)	-
117,671	-	-	-	337,469	-
-	463,000	1,600,000	582,000	400,049	123,951
50,000	50,000	-	-	500,000	47,785
1,645,934	1,687,361	1,258,471	1,225,000	1,184,068	1,033,309
<u>9,163,605</u>	<u>9,675,361</u>	<u>2,858,471</u>	<u>3,242,000</u>	<u>4,574,386</u>	<u>1,205,045</u>
<u>\$ 3,563,271</u>	<u>\$ 8,744,255</u>	<u>\$ (404,235)</u>	<u>\$ (414,180)</u>	<u>\$ 2,757,235</u>	<u>\$ 449,428</u>
8.3%	6.0%	5.8%	4.9%	5.7%	5.0%

City of Denison, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended Sept. 30	Real & Non Real Property			Less: Productivity Loss & Homestead Cap	Total Assessed Value
	Residential Property	Commercial Property	Personal Property		
2012	\$ 530,274,934	\$ 507,147,343	\$ 273,003,942	(22,012,839)	\$ 1,288,413,380
2013	\$ 531,766,639	\$ 517,718,636	\$ 310,787,640	(22,604,860)	\$ 1,337,668,055
2014	\$ 531,789,823	\$ 536,927,831	\$ 303,858,382	(19,543,229)	\$ 1,353,032,807
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

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

<u>Total Direct Tax Rate</u>	<u>Actual Taxable Value</u>	<u>Taxable Value as a Percentage of Assessed Value</u>
0.653377	\$ 1,018,414,023	79.04%
0.653377	\$ 1,006,714,831	75.26%
0.653377	\$ 1,052,058,806	77.76%
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%



City of Denison, Texas

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended Sept. 30	City Direct Rates			Overlapping Rates		
	Operating/ General Rate	General Obligation Debt Service	Total Direct	Denison Independent School District	Grayson County	Grayson County Junior College
2012	0.571038	0.082339	0.653377	1.468200	0.490900	0.181800
2013	0.571038	0.082339	0.653377	1.481200	0.490900	0.181800
2014	0.581121	0.072256	0.653377	1.499200	0.490900	0.181610
2015	0.569980	0.083397	0.653377	1.499200	0.490900	0.181500
2016	0.575883	0.077494	0.653377	1.499200	0.490900	0.181400
2017	0.578521	0.064856	0.643377	1.499200	0.473719	0.181300
2018	0.530791	0.102586	0.633377	1.499200	0.460366	0.181200
2019	0.521438	0.111939	0.633377	1.499200	0.441810	0.177334
2020	0.556902	0.095132	0.652034	1.397550	0.416429	0.171752
2021	0.554667	0.097367	0.652034	1.322230	0.376700	0.171067

Source: Grayson County Appraisal District - Tax Rates

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

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

Taxpayer	Type of Business	2021		
		Taxable Assessed Value	Rank	Percentage of Taxable Value
UHS of Texoma Inc. (Texoma Medical C	Medical Facility	\$ 162,770,831	1	7.84%
Universal Health Services	Medical Facility	51,201,508	2	2.47%
Ruiz Food Products, Inc.	Food Processing	27,322,743	3	1.32%
Ruiz Food Products, Inc.	Food Processing	24,953,261	4	1.20%
Grayson Properties LP	Housing Development	24,552,485	5	1.18%
Covenant Denison Holdings LLC	Housing Development	19,318,452	6	0.93%
Spectrum Brands INC	Manufacturing	18,865,028	7	0.91%
Union Pacific Railroad Co	Railroad	16,152,145	8	0.78%
Oncor Electric Delivery Co LLC	Electric Provider	16,096,984	9	0.78%
MFT RGV1 LLC	Housing Development	15,102,149	10	0.73%
Wal-Mart Stores #03521	Large Retailer	-	n/a	n/a
Caterpillar Global Mining	Manufacturing	-	n/a	n/a
Wal-Mart Stores Inc #0147	Large Retailer	-	n/a	n/a
Top Ten Taxpayers Total:		<u>\$ 376,335,586</u>		<u>18.13%</u>
City-Wide Total Taxable Value:		<u>\$ 2,075,252,425</u>		

Source: Grayson Central Appraisal District - Top Ten Taxpayers

2012

Taxable Assessed			Percentage of
*Value	Rank		Taxable Value
\$ 30,251,269	1		2.97%
26,050,318	3		2.56%
-	n/a		0.00%
12,763,327	5		1.25%
11,454,487	6		1.12%
-	n/a		0.00%
28,907,365	2		2.84%
16,296,519	4		1.60%
10,901,525	7		1.07%
-	n/a		0.00%
9,116,026	8		0.90%
7,325,854	9		0.72%
6,400,808	10		0.63%
<hr/>			
\$ 159,467,498			15.66%
<hr/>			
\$ 1,018,414,023			
<hr/>			



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

Fiscal Year Ended Sept. 30	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
2012	\$ 6,411,247	\$ 6,229,600	97.17%	\$ 166,715	\$ 6,396,315	99.77%
2013	\$ 6,418,152	\$ 6,270,222	97.70%	\$ 134,999	\$ 6,405,221	99.80%
2014	\$ 6,691,394	\$ 6,548,938	97.87%	\$ 125,563	\$ 6,674,501	99.75%
2015	\$ 7,055,238	\$ 6,927,406	98.19%	\$ 108,557	\$ 7,035,963	99.73%
2016	\$ 7,501,037	\$ 7,381,352	98.40%	\$ 95,613	\$ 7,476,965	99.68%
2017	\$ 8,309,353	\$ 8,164,388	98.26%	\$ 114,357	\$ 8,278,745	99.63%
2018	\$ 8,688,391	\$ 8,542,962	98.33%	\$ 105,114	\$ 8,648,076	99.54%
2019	\$ 9,520,567	\$ 9,349,717	98.21%	\$ 111,133	\$ 9,460,850	99.37%
2020	\$ 10,811,380	\$ 10,579,942	97.86%	\$ 136,745	\$ 10,716,687	99.12%
2021	\$ 11,779,085	\$ 11,544,648	98.01%	\$ -	\$ 11,544,648	98.01%

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

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

Fiscal Year	Governmental Activities					
	Certificates of Obligation	General Obligation Bonds	Capital Lease	Notes Payable	Tax Notes	Issuance Premiums
2012	\$ -	\$ 6,659,311	\$ 527,865	\$ -	\$ -	\$ -
2013	\$ 2,553,952	\$ 6,762,864	\$ 600,197	\$ -	\$ -	\$ -
2014	\$ 2,473,620	\$ 5,041,618	\$ 970,311	\$ -	\$ 1,435,000	\$ -
2015	\$ 2,373,290	\$ 4,481,172	\$ 2,264,737	\$ -	\$ 1,240,000	\$ -
2016	\$ 9,747,960	\$ 3,905,726	\$ 2,376,817	\$ -	\$ 1,040,000	\$ -
2017	\$ 14,707,290	\$ 3,209,084	\$ 2,004,263	\$ 1,550,000	\$ 840,000	\$ 379,873
2018	\$ 14,369,982	\$ 2,556,200	\$ 2,455,635	\$ 1,389,000	\$ 635,000	\$ 341,245
2019	\$ 13,096,383	\$ 2,082,400	\$ 3,813,038	\$ 1,220,000	\$ 425,000	\$ 302,617
2020	\$ 20,540,641	\$ 1,702,400	\$ 3,145,568	\$ 1,050,000	\$ 215,000	\$ 1,288,898
2021	\$ 31,075,175	\$ 1,307,200	\$ 3,712,119	\$ 880,000	\$ -	\$ 2,562,340

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

Business-Type Activities

Certificates of Obligation	General Obligation Bonds	Revenue Bonds	Capital Lease	Issuance Discount	Issuance Premiums	Total Primary Government	Percentage of Personal Income	Per Capita*
\$ 18,521,074	\$ -	\$ 1,340,000	\$ 383,291	\$ -	\$ -	\$ 27,431,541	6%	\$ 1,204
\$ 17,880,139	\$ -	\$ -	\$ 92,740	\$ -	\$ -	\$ 27,889,892	6%	\$ 1,231
\$ 17,924,299	\$ 1,021,100	\$ -	\$ 17,756	\$ -	\$ -	\$ 28,883,705	6%	\$ 1,271
\$ 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	\$ -	\$ -	\$ (34,527)	\$ (31,507)	\$ 50,289,797	10%	\$ 2,126
\$ 31,090,022	\$ 748,800	\$ -	\$ 353,968	\$ (31,506)	\$ 1,455,795	\$ 55,364,141	9%	\$ 2,271
\$ 31,573,621	\$ 3,457,600	\$ -	\$ 305,632	\$ (13,032)	\$ 2,088,699	\$ 58,351,958	10%	\$ 2,323
\$ 29,844,363	\$ 7,127,600	\$ -	\$ 256,652	\$ (11,729)	\$ 2,505,124	\$ 67,664,517	11%	\$ 2,722
\$ 42,284,829	\$ 6,312,800	\$ -	\$ 207,007	\$ (10,426)	\$ 4,314,297	\$ 92,645,341	15%	\$ 3,785

City of Denison, Texas

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Estimated Population	Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	% of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2012	22,784	\$ 1,288,413,380	\$ 25,320,000	\$ 102,360	\$ 25,217,640	1.96%	\$ 1,107
2013	22,665	\$ 1,337,668,055	\$ 25,785,000	\$ 248,424	\$ 25,536,576	1.91%	\$ 1,127
2014	22,722	\$ 1,353,032,807	\$ 25,715,000	\$ 6,139	\$ 25,708,861	1.90%	\$ 1,131
2015	22,907	\$ 1,465,764,120	\$ 30,285,000	\$ 108,000	\$ 30,177,000	2.06%	\$ 1,317
2016	23,447	\$ 1,561,217,874	\$ 39,167,644	\$ 207,881	\$ 38,959,763	2.50%	\$ 1,662
2017	23,654	\$ 1,629,821,252	\$ 46,801,568	\$ 224,608	\$ 46,576,960	2.86%	\$ 1,969
2018	24,380	\$ 1,744,999,573	\$ 49,741,249	\$ 280,132	\$ 49,461,117	2.83%	\$ 2,029
2019	25,118	\$ 1,906,343,253	\$ 50,937,621	\$ 628,365	\$ 50,309,256	2.64%	\$ 2,003
2020	24,860	\$ 2,120,445,267	\$ 60,718,902	\$ 962,085	\$ 59,756,817	2.82%	\$ 2,404
2021	24,479	\$ 2,448,766,610	\$ 80,960,000	\$ 1,409,597	\$ 79,550,403	3.25%	\$ 3,250

Sources: Assessed Value obtained from the Grayson County Appraisal District
 Gross Bonded Debt obtained from the Schedule of Bonds Payable and Total Bonds for Fiscal Year.
 Debt Service Figures Obtained from Financial Statements.

City of Denison, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2020 (Unaudited)

Governmental Subdivision	Gross Bonded Debt	Percentage of Debt Applicable to Area	City Share of Overlapping Debt
Denison Independent School District	\$ 88,763,160	73.89%	\$ 65,587,099
Grayson County	\$ 31,300,000	15.33%	\$ 4,798,290
Grayson County JCD	\$ 21,175,000	15.33%	\$ 3,246,128
Pottsboro Independent School District	\$ 8,955,000	5.55%	\$ 497,003
Sherman Independent School District	\$ 198,045,000	0.26%	\$ 514,917
	<u>\$ 348,238,160</u>		<u>\$ 74,643,437</u>
City of Denison			<u>\$ 39,536,834</u>
Total Direct and Overlapping Debt			<u>\$ 114,180,271</u>
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			4.66%
Per capita overlapping bonded debt			\$ 4,664

Source: "Texas Municipal Report" as of September 30, 2021, prepared by the Municipal Advisory Council.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Denison. This process recognizes that, when considering the City of Denison's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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

City of Denison, Texas
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years (Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Tax Rate Limit	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50
Current Tax Rate	<u>0.653377</u>	<u>0.653377</u>	<u>0.653377</u>	<u>0.653377</u>	<u>0.653377</u>
Available Tax Rate	<u>\$ 1.84662</u>	<u>\$ 1.84662</u>	<u>\$ 1.84662</u>	<u>\$ 1.84662</u>	<u>\$ 1.84662</u>

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50
<u>0.643377</u>	<u>0.633377</u>	<u>0.633377</u>	<u>0.652034</u>	<u>0.652034</u>
<u>\$ 1.85662</u>	<u>\$ 1.86662</u>	<u>\$ 1.86662</u>	<u>\$ 1.84797</u>	<u>\$ 1.84797</u>

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

Water and Sewer Revenue Bonds

Fiscal Year	Total Revenues ^a	Less: Operating Expenses ^b	Net Available Revenue ^c	Debt Service		Times Coverage
				Principal	Interest	
2012	\$ 10,349,992	\$ 7,160,820	\$ 3,189,172	\$ 905,000	\$ 805,485	1.86
2013	\$ 9,659,707	\$ 7,645,062	\$ 2,014,645	\$ 775,000	\$ 713,910	1.35
2014	\$ 9,890,510	\$ 6,965,274	\$ 2,925,236	\$ 1,060,000	\$ 675,713	1.69
2015	\$ 10,874,750	\$ 7,746,416	\$ 3,128,334	\$ 976,000	\$ 615,713	1.97
2016	\$ 11,035,471	\$ 7,521,650	\$ 3,513,821	\$ 1,111,000	\$ 941,888	1.71
2017	\$ 11,925,469	\$ 7,535,900	\$ 4,389,569	\$ 1,370,000	\$ 796,903	2.03
2018	\$ 12,555,348	\$ 8,744,362	\$ 3,810,986	\$ 1,580,819	\$ 1,002,773	1.48
2019	\$ 12,555,811	\$ 7,351,257	\$ 5,204,554	\$ 1,807,250	\$ 1,199,012	1.73
2020	\$ 13,791,147	\$ 7,707,087	\$ 6,084,060	\$ 2,053,900	\$ 1,341,347	1.79
2021	\$ 14,507,497	\$ 7,868,881	\$ 6,638,616	\$ 2,382,400	\$ 1,246,767	1.83

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

City of Denison, Texas
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Estimated Population ¹	Personal Income	Per Capita Income ²	Median Age ³	Grade School Enrollment ⁴ (DISD figures only)	Unemployment Rate ⁵
2012	22,784	\$ 480,332,288	\$ 21,082	40.5	2,111	6.70%
2013	22,665	\$ 449,152,305	\$ 19,817	40.5	2,184	7.20%
2014	22,722	\$ 507,473,148	\$ 22,334	41.8	2,215	5.70%
2015	22,907	\$ 473,716,760	\$ 20,680	41.8	2,600	4.10%
2016	23,447	\$ 492,036,702	\$ 20,985	39.5	2,555	3.60%
2017	23,654	\$ 528,288,436	\$ 22,334	41.8	2,610	3.00%
2018	24,380	\$ 614,229,720	\$ 25,194	39.5	2,675	3.50%
2019	25,118	\$ 633,802,494	\$ 25,233	39.5	2,660	2.90%
2020	24,860	\$ 625,825,640	\$ 25,174	39.5	3,250	3.90%
2021	24,479	\$ 617,678,607	\$ 25,233	39.5	3,250	3.80%

Sources:

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

City of Denison, Texas

PRINCIPAL EMPLOYERS

Current Fiscal Year and Eight Years Ago (Unaudited)

<u>Name of Employer</u>	<u>Location</u>	<u>Product</u>
Texoma Medical Center	5016 US Hwy 75 S	Health Care Services
CIGNA	4636 US Hwy 75 S	Insurance Claims Processing
Ruiz Foods	2410 Texoma Drive	El Monterey Frozen Foods
Walmart	4636 US Hwy 75 S	Large Retailer
Denison Independent School District	1201 S Rusk	Education - Public Schools
ACS Manufacturing	1601 Commerce Blvd	Acoustical Equipment Enclosures
Spectrum Brands - Kwikset	2600 TX-91	Manufacturing
Grayson College	6101 Grayson Dr	Education - College
City of Denison	300 W Main St	Government Agency
Caterpillar Inc	6101 Grayson Dr	Manufacturing

Total Employment Above:

Total Estimated Population:

Source: Denison Development Alliance (DDA) website.

* The City could not provide information going back 10 years. The furthest available information was for fiscal year 2013.

2021			2013 *		
No. of Employees	Rank	Percentage of Total City Employment	No. of Employees	Rank	Percentage of Total City Employment
4,000	1	16.34%	1,375	1	6.07%
1,148	2	4.69%	705	3	3.11%
1,134	3	4.63%	n/a	n/a	n/a
900	4	3.68%	1,212	2	5.35%
722	5	2.95%	624	4	2.75%
340	6	1.39%	460	5	2.03%
320	7	1.31%	310	7	1.37%
312	8	1.27%	408	6	1.80%
303	9	1.24%	n/a	n/a	n/a
250	10	1.02%	230	9	1.01%
n/a	n/a	n/a	260	8	1.15%
n/a	n/a	n/a	220	10	0.97%
<u>9,429</u>		<u>38.52%</u>	<u>5,804</u>		<u>25.61%</u>
<u>24,479</u>			<u>22,665</u>		

City of Denison, Texas

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years (Unaudited)

Function / Program	Full-time Equivalent Employees for Fiscal Year			
	*2012	2013	2014	2015
General government	32	35	25	26
Cemetery	5	5	6	5
Library	8	11	17	12
Municipal Court	2	2	3	3
Police & Communications	53	41	56	58
Fire (& EMS)	34	40	35	31
Emergency Medical Services	27	33	28	31
Animal Control	2	2	2	2
Public Works	51	55	58	51
Parks and Recreation	13	15	15	17
Water and Sewer Systems	49	53	51	55
	275	291	295	292
	275	291	295	292

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 hrs 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.

Full-time Equivalent Employees for Fiscal Year

2016	2017	2018	2019	2020	2021
27	27	30	31	31	46
5	5	5	4	4	5
12	12	14	14	14	10
3	4	4	4	4	5
60	57	58	60	60	65
62	59	61	61	61	56
-	-	0	0	0	0
2	2	2	2	3	3
44	44	43	43	43	35
28	28	32	34	34	19
63	58	56	58	58	68
306	296	305	311	312	312

City of Denison, Texas

OPERATING INDICATORS BY FUNCTIONS/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function/Program	2012	2013	2014	2015
Public Safety				
Municipal Court				
Number of cases filed	4,999	7,405	9,035	5,455
Police				
Physical Arrests	1,495	2,093	2,215	1,873
Traffic Violations 1	3,173	8,662	9,053	8,978
Fire				
Number of Incidents/Responses 2	4,571	4,080	3,992	5,150
Animal Control				
Number of calls	3,827	3,552	2,826	3,224
Public Works				
Streets maintained (miles)	171.6	172.0	172.1	172.6
Water and Wastewater				
New connections	21	17	22	38
Annual gallons of water pumped (thousands)	1,789,752	1,336,516	1,645,984	1,660,087
Miles of water mains maintained	214.5	216.3	217.1	219.1

Source: City Departments

Notes: 1. FY2013 is the first year that traffic violations include warnings in addition to actual citation
 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

2016	2017	2018	2019	2020	2021
5,852	5,248	3,748	3,567	2,779	3,906
1,994	1,809	1,197	848	802	1,411
9,595	8,101	6,752	6,672	7,788	12,801
4,931	5,413	5,557	5,386	5,048	6,040
3,612	2,609	2,537	3,208	2,670	2,256
173.2	173.2	174.7	175.3	175.3	175.3
92	161	177	184	236	200
1,641,722	1,476,599	1,687,602	1,590,020	1,595,928	1,819,915
219.1	221.2	223.5	223.9	228.8	228.8

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City of Denison, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function/Program	2012	2013	2014	2015	2016
Public Safety					
Police					
Stations	1	1	1	1	1
Patrol Units	10	13	12	13	13
Fire					
Stations	3	3	3	3	3
Public Works					
Streets (miles)	171.6	172.0	172.1	172.6	173.2
Parks and Recreation					
Parks (acreage)	345.6	345.6	348.2	348.2	338.1
Number of playgrounds	13	13	14	14	12
Water and Wastewater					
Water main (miles)	214.5	216.3	217.1	219.1	219.1
Sewer mains (miles)	193.6	198.5	198.6	200.0	200.1
Storm drainage (miles)	10.9	11.2	11.2	11.8	11.8

Source: City departments

2017	2018	2019	2020	2021
1	1	1	1	1
13	13	15	15	15
3	3	3	3	3
173.2	174.7	175.3	175.3	175.3
338.1	400	565.6	565.6	587.7
13	16	16	16	16
221.2	223.5	223.9	228.8	228.8
200.6	201.9	202.3	205.7	205.7
12.1	13.1	13.7	13.7	13.7



CONTINUING DISCLOSURE
(Unaudited)



City of Denison, Texas
VALUATION, EXEMPTIONS, AND GENERAL OBLIGATION DEBT
September 30, 2021 (Unaudited)

2019 -20 Market Valuation Established by Grayson County Appraisal District	\$	2,502,834,520
Less:		
Productivity Loss	\$	29,244,957
Homestead Cap	\$	24,822,953
Exemption DP - Disabled	\$	5,926,309
Exemption OV65 - Over 65	\$	33,033,929
Exemption DV - Disabled Veterans	\$	26,655,612
Exemption EX - Exempt Property	\$	227,670,384
Exemption FR	\$	67,842,359
Exemption AB	\$	11,769,358
Exemption PC	\$	271,565
Exemption PPV	\$	9,480
Exemption SO	\$	322,189
		\$ 427,569,095
2020-21 Taxable Assessed Valuation	\$	2,075,265,425
General Obligation Debt Payable from Ad Valorem Taxes	\$	80,965,000
Less: Self-supporting Debt (<i>Combination Tax & Revenue Certificates of Obligation</i>)	\$	54,786,390
Net General Obligation Debt Payable from Ad Valorem Taxes	\$	26,178,610
General Obligation Interest and Sinking Fund as of September 30, 2020	\$	1,417,065
Ratio General Obligation Tax Debt to Taxable Assessed Valuation		1.26%
2021 Estimated Population		24,479
Per Capita Taxable Assessed Valuation	\$	84,777
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes	\$	3,308

Source: Grayson County Appraisal District - 2017 Certified Roll (As of Certification)

CITY OF DENISON, TEXAS
TAXABLE ASSESSED VALUATIONS BY CATEGORY
Last Ten Fiscal Years (Unaudited)

Category	2021		2020	
	Amount	% of Total	Amount	% of Total
Real-Residential Single-Family	\$ 1,133,893,145	45.30%	\$ 980,421,588	44.45%
Real-Residential Mobile Home	\$ 7,519,041	0.30%	\$ 8,712,362	0.40%
Real-Other Improvements	\$ 2,691,682	0.11%	\$ 1,962,181	0.09%
Real-Residential, Multi-Family	\$ 92,301,122	3.69%	\$ 47,629,635	2.16%
Real-Vacant Lots/Tracts	\$ 54,203,712	2.17%	\$ 43,440,787	1.97%
Real-Acreage Farm and Ranch	\$ 29,575,726	1.18%	\$ 28,809,461	1.31%
Real-Undeveloped Land	\$ 20,293,444	0.81%	\$ 15,726,129	0.71%
Real-Commercial	\$ 528,720,010	21.12%	\$ 463,682,675	21.02%
Real-Industrial	\$ 52,307,766	2.09%	\$ 51,634,507	2.34%
Real and Intangible Personal, Utilities	\$ 50,926,474	2.03%	\$ 44,394,936	2.01%
Tangible Personal, Commercial	\$ 124,502,423	4.97%	\$ 118,580,027	5.38%
Tangible Commercial, Industrial	\$ 156,382,156	6.25%	\$ 175,380,263	7.95%
Tangible Personal, Mobile Homes	\$ 395,099	0.02%	\$ 410,071	0.02%
Tangible Personal, Other	\$ 241,513,652	9.65%	\$ 217,191,078	9.85%
Real Property, Inventory	\$ 7,609,068	0.30%	\$ 7,555,120	0.34%
Total Appraised Value	2,502,834,520	100.00%	2,205,530,820	100.00%
Less: Total Exemptions/Reductions	54,067,910		85,085,553	
Taxable Assessed Value	\$ 2,448,766,610		\$ 2,120,445,267	

Category	2016		2015	
	Amount	% of Total	Amount	% of Total
Real-Residential Single-Family	\$ 587,302,253	37.00%	\$ 566,235,637	37.98%
Real-Residential Mobile Home	\$ 4,029,401	0.25%	\$ 3,982,701	0.27%
Real-Other Improvements	\$ 1,336,417	0.08%	\$ 1,514,841	0.10%
Real-Residential, Multi-Family	\$ 30,076,264	1.89%	\$ 31,909,976	2.14%
Real-Vacant Lots/Tracts	\$ 28,284,957	1.78%	\$ 28,829,301	1.93%
Real-Acreage Farm and Ranch	\$ 21,390,265	1.35%	\$ 21,688,398	1.45%
Real-Undeveloped Land	\$ 9,711,330	0.61%	\$ 8,950,434	0.60%
Real-Commercial	\$ 336,482,483	21.20%	\$ 312,816,944	20.98%
Real-Industrial	\$ 52,798,639	3.33%	\$ 38,837,036	2.61%
Real and Intangible Personal, Utilities	\$ 48,097,814	3.03%	\$ 44,869,875	3.01%
Tangible Personal, Commercial	\$ 93,540,112	5.89%	\$ 94,281,026	6.32%
Tangible Commercial, Industrial	\$ 186,369,686	11.74%	\$ 165,902,052	11.13%
Tangible Personal, Mobile Homes	\$ 423,919	0.03%	\$ 413,726	0.03%
Tangible Personal, Other	\$ 186,363,033	11.74%	\$ 169,408,224	11.36%
Real Property, Inventory	\$ 1,143,445	0.07%	\$ 1,081,880	0.07%
Total Appraised Value	1,587,350,018	100.00%	1,490,722,051	100.00%
Less: Total Exemptions/Reductions	26,132,144		24,957,931	
Taxable Assessed Value	\$ 1,561,217,874		\$ 1,465,764,120	

Source: Grayson County Central Appraisal District certified taxable assessed values

2019		2018		2017	
Amount	% of Total	Amount	% of Total	Amount	% of Total
\$ 857,100,275	43.49%	\$ 734,358,391	40.96%	\$ 667,525,220	39.76%
\$ 5,494,764	0.28%	\$ 6,280,213	0.35%	\$ 4,401,753	0.26%
\$ 1,720,187	0.09%	\$ 1,540,512	0.09%	\$ 1,466,787	0.09%
\$ 40,188,925	2.04%	\$ 35,344,836	1.97%	\$ 30,576,020	1.82%
\$ 37,310,013	1.89%	\$ 33,165,813	1.85%	\$ 33,787,863	2.01%
\$ 22,723,871	1.15%	\$ 22,095,042	1.23%	\$ 21,078,706	1.26%
\$ 13,524,591	0.69%	\$ 12,479,957	0.70%	\$ 10,539,000	0.63%
\$ 425,900,291	21.61%	\$ 381,817,579	21.30%	\$ 353,777,915	21.07%
\$ 47,668,977	2.42%	\$ 51,460,502	2.87%	\$ 53,673,514	3.20%
\$ 42,870,428	2.18%	\$ 39,250,234	2.19%	\$ 49,086,040	2.92%
\$ 108,174,038	5.49%	\$ 99,966,693	5.58%	\$ 98,977,449	5.90%
\$ 158,207,243	8.03%	\$ 163,816,357	9.14%	\$ 167,041,409	9.95%
\$ 449,928	0.02%	\$ 452,794	0.03%	\$ 429,433	0.03%
\$ 207,200,656	10.51%	\$ 205,980,645	11.49%	\$ 184,973,399	11.02%
\$ 2,473,083	0.13%	\$ 4,834,381	0.27%	\$ 1,488,297	0.09%
1,971,007,270	100.00%	1,792,843,949	100.00%	1,678,822,805	100.00%
64,664,017		47,844,376		49,001,553	
<u>\$ 1,906,343,253</u>		<u>\$ 1,744,999,573</u>		<u>\$ 1,629,821,252</u>	

2014		2013		2012	
Amount	% of Total	Amount	% of Total	Amount	% of Total
\$ 559,623,842	40.77%	\$ 561,472,662	41.28%	\$ 563,161,497	42.98%
\$ 3,886,979	0.28%	\$ 3,925,666	0.29%	\$ 3,887,118	0.30%
\$ 1,458,822	0.11%	\$ 1,487,142	0.11%	\$ 1,413,979	0.11%
\$ 29,691,769	2.16%	\$ 30,411,718	2.24%	\$ 30,373,661	2.32%
\$ 30,121,292	2.19%	\$ 24,361,849	1.79%	\$ 24,651,930	1.88%
\$ 15,379,772	1.12%	\$ 17,684,249	1.30%	\$ 17,827,080	1.36%
\$ 6,625,957	0.48%	\$ 4,723,367	0.35%	\$ 6,349,730	0.48%
\$ 305,451,398	22.25%	\$ 302,320,816	22.23%	\$ 297,402,264	22.70%
\$ 37,498,437	2.73%	\$ 37,746,105	2.77%	\$ 32,967,662	2.52%
\$ 44,544,120	3.25%	\$ 38,268,594	2.81%	\$ 39,254,829	3.00%
\$ 92,536,831	6.74%	\$ 93,601,112	6.88%	\$ 109,109,301	8.33%
\$ 160,374,293	11.68%	\$ 173,093,377	12.72%	\$ 118,851,644	9.07%
\$ 424,896	0.03%	\$ 451,212	0.03%	\$ 554,685	0.04%
\$ 83,953,423	6.12%	\$ 69,386,328	5.10%	\$ 63,294,105	4.83%
\$ 1,004,205	0.07%	\$ 1,338,718	0.10%	\$ 1,326,734	0.10%
1,372,576,036	100.00%	1,360,272,915	100.00%	1,310,426,219	100.00%
19,543,229		22,604,860		22,012,839	
<u>\$ 1,353,032,807</u>		<u>\$ 1,337,668,055</u>		<u>\$ 1,288,413,380</u>	

City of Denison, Texas
VALUATION AND GENERAL OBLIGATION DEBT HISTORY
September 30, 2021 (Unaudited)

Fiscal Year Ended 9/30	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
2012	22,784	\$ 1,288,413,380	\$ 56,549	\$ 6,005,000	0.47%	\$ 264
2013	22,665	\$ 1,337,668,055	\$ 59,019	\$ 6,165,000	0.46%	\$ 272
2014	22,722	\$ 1,353,032,807	\$ 59,547	\$ 5,435,000	0.40%	\$ 239
2015	22,907	\$ 1,465,764,120	\$ 63,988	\$ 4,925,000	0.34%	\$ 215
2016	23,447	\$ 1,561,217,874	\$ 66,585	\$ 4,400,000	0.28%	\$ 188
2017	23,654	\$ 1,629,821,252	\$ 68,903	\$ 3,860,000	0.24%	\$ 163
2018	24,380	\$ 1,744,999,573	\$ 71,575	\$ 3,305,000	0.19%	\$ 136
2019	25,118	\$ 1,906,343,253	\$ 75,896	\$ 5,540,000	0.29%	\$ 221
2020	24,860	\$ 2,120,445,267	\$ 85,295	\$ 8,825,000	0.42%	\$ 355
2021	24,479	\$ 2,448,766,610	\$ 100,035	\$ 7,605,000	0.31%	\$ 311

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)

Fiscal Year	Tax Rate	General Fund	Interest and Sinking Fund	Total Tax Levy	Current Tax Collections	% of Levy Collected	% of Total Tax Collections to Tax Levy
2012	\$ 0.653377	\$ 0.571038	\$ 0.082339	\$ 6,411,247	\$ 6,229,600	97.17%	99.77%
2013	\$ 0.653377	\$ 0.571038	\$ 0.082339	\$ 6,418,152	\$ 6,270,222	97.70%	99.80%
2014	\$ 0.653377	\$ 0.581121	\$ 0.072256	\$ 6,691,394	\$ 6,548,938	97.87%	99.75%
2015	\$ 0.653377	\$ 0.569980	\$ 0.083397	\$ 7,055,238	\$ 6,927,406	98.19%	99.73%
2016	\$ 0.653377	\$ 0.575883	\$ 0.077494	\$ 7,501,037	\$ 7,381,352	98.41%	99.68%
2017	\$ 0.643377	\$ 0.578521	\$ 0.064856	\$ 8,309,353	\$ 8,164,388	98.26%	99.63%
2018	\$ 0.633377	\$ 0.530791	\$ 0.102586	\$ 8,688,391	\$ 8,542,962	98.33%	99.54%
2019	\$ 0.633377	\$ 0.521438	\$ 0.111939	\$ 9,520,568	\$ 9,349,717	98.21%	99.37%
2020	\$ 0.652034	\$ 0.556902	\$ 0.095132	\$ 10,811,380	\$ 10,579,942	97.86%	99.12%
2021	\$ 0.652034	\$ 0.554667	\$ 0.097367	\$ 12,788,661	\$ 11,739,460	91.80%	90.27%

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

City of Denison, Texas
INTEREST AND SINKING FUND BUDGET PROJECTION
September 30, 2021 (Unaudited)

Tax Supported Debt Service Requirements, Fiscal Year Ending September 30, 2021	\$	1,821,559
Tax Supported Other Fees & Payments	\$	120,684
Interest and Sinking Fund, September 30, 2021	\$	962,084
Budgeted Interest and Sinking Fund Tax Levy	\$	2,392,024
Budgeted Interest for Interest and Sinking Fund	\$	5,200
		\$ 3,359,308
Estimated Balance, September 30, 2021		\$ 1,417,065

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
2012	\$ 1,345,954	\$ 4,037,861	\$ 5,383,815	83.97%	\$ 0.548670	\$ 236
2013	\$ 1,409,657	\$ 4,228,912	\$ 5,638,569	87.85%	\$ 0.574014	\$ 249
2014	\$ 1,383,599	\$ 4,154,796	\$ 5,538,395	82.77%	\$ 0.540793	\$ 244
2015	\$ 1,483,577	\$ 4,450,730	\$ 5,934,307	84.11%	\$ 0.549569	\$ 259
2016	\$ 1,561,591	\$ 4,684,773	\$ 6,246,364	83.27%	\$ 0.483293	\$ 266
2017	\$ 1,719,068	\$ 5,157,204	\$ 6,876,272	82.75%	\$ 0.532416	\$ 291
2018	\$ 1,860,856	\$ 5,582,867	\$ 7,443,723	85.67%	\$ 0.542642	\$ 305
2019	\$ 1,903,653	\$ 5,710,960	\$ 7,614,613	79.98%	\$ 0.506579	\$ 303
2020	\$ 2,037,412	\$ 6,112,237	\$ 8,149,650	75.38%	\$ 0.491505	\$ 328
2021	\$ 2,190,355	\$ 6,571,066	\$ 8,761,421	74.41%	\$ 0.485177	\$ 358

City of Denison, Texas
CASH AND INVESTMENTS FOR PRIMARY GOVERNMENT
September 30, 2021 (Unaudited)

<u>Type of Investment</u>			
Cash on Hand	0.01%	\$	3,495
Savings and Checking Accounts	29.58%	\$	16,574,653
Money Market Accounts	0.56%	\$	311,741
Governmental Pool Accounts	68.21%	\$	38,218,420
Certificates of Deposit	1.64%	\$	920,000
	<u>100.00%</u>	<u>\$</u>	<u>56,028,309</u>