



**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT
2022**

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2022

CITY OF
DENISON, TEXAS

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WWW.CITYOFDENISON.COM | 903.465.2720



*ANNUAL COMPREHENSIVE
FINANCIAL REPORT*

of the

City of Denison, Texas

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

Prepared by

Bobby Atteberry
Interim City Manager

Renee' Waggoner
Assistant City Manager

Laurie Alsabbagh
Director of Finance



City of Denison, Texas

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INTRODUCTORY SECTION



City of Denison

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April 13, 2023

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, 2022, 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, 2022. 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 134,205. 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 24,705 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 2022. Denison is clearly focused on the quality of life for all of its residents.

Business Highlights:

- Independent Financial's new bank location opened in January 2022.
- Serendipidee Boutique & Salon on Main Street held their grand opening on March 3, 2022.
- The Quilt Asylum held their ribbon cutting on March 17, 2022 .
- Split Window Studios, a fully equipped audio, video, photo facility in Downtown Denison held their grand opening in June 2022.
- Rae of Sunshine Collective – Rae of Sunshine Candle Co. at 110 S Fannin opened their doors on June 30, 2022.
- Kickback's Backyard, a new restaurant/music venue on Armstrong opened on July 21st, 2022.
- Garner's Games on S. Armstrong Avenue opened in July 2022.
- MayMedia, a digital marketing agency on Woodard Street held their ribbon cutting on July 21, 2022. They offer a full range of marketing, product sampling, live event, digital advertising, and consumer insights services.
- The Grill at 84 West opened in July and held their ribbon cutting on August 10, 2022.
- Mom Queen Boutique at 421 W Main Street had their ribbon cutting on August 11, 2022.
- The City of Denison officially welcomed Chick-fil-A to our community at their ribbon cutting on August 24, 2022.
- The Law Office of Bryan White located at 305 W Woodard held their ribbon cutting on August 25, 2022.
- Pop Around the Corner relocated to a new location at 325 W Main Street and had a ribbon cutting on August 24, 2022.
- Vintage Victoria opened in the Katy Depot and held their ribbon cutting on September 8, 2022.
- Mudpies & Lullabies of Denison held their ribbon cutting on September 16, 2022.
- The Horse's Axe, an axe throwing venue on Main Street opened in September 2022. They have axe-throwing lanes, over 100 different drink options featuring local and Texas breweries and a kitchen ready to serve food.
- Cantina Lime is scheduled to be open in October 2022.
- Say When Brewing Company will open their doors in early October 2022.
- 34 Chophouse and Landon Winery, both located in Downtown Denison on Main Street, will hold their preview grand opening on October 8, 2022.

- Victron Energy’s 15,450 square foot gas station and travel plaza at 4300 North Hwy 91 will open in November 2022. The Pilot Travel Center includes a Fuzzy’s Taco Shop, Einstein Bros Bagel Shop and Texas Best Smokehouse.
- Denison will welcome Ace Hardware to the City in 2023. Ace Hardware will use about 16,500 square feet of the former Kroger building once it is complete. Another 3,500 square feet will be used for an attached convenience store and the remaining 8,750 will be reserved for other retail or office uses.

Other Highlights:

- City Council voted to bring Emergency Medical Services, or EMS, back in-house to be provided by Denison Fire Rescue at their Regular Meeting in December 2021. Denison Fire Rescue resumed EMS on April 1, 2022.
- Staff announced in December 2021 that Kenneth Jacks has been named Denison’s new Fire Chief. Over 35 applications were received in total, and Chief Jacks’ nearly 30 years of experience, extensive Fire Services knowledge, and exemplary integrity earned him the position.
- The City of Denison appointed Renee’ Waggoner to the Assistant City Manager position on February 28, 2022. Ms. Waggoner is a devoted public servant who has always put Denison residents first in her 20+ year career with the City.
- October 9, 2021 marked the second anniversary of the devastating fire in Downtown Denison. The City unveiled a new sculpture created by Casni Studio. The sculpture is located at the fire site and utilized pieces from the buildings salvaged from the rubble, including the tile and steel beams.
- February 2022 saw the arrival of Denison Fire Rescue’s new fire engine, Engine 61.
- Vision 2040 - City leaders, community stakeholders, and a number of Team Denison partners kicked off the Vision2040 Community Visioning Session on March 3, 2022. The diverse group included 80+ stakeholders from across different areas of our community: Denison Independent School District, Denison Development Alliance, Texoma Health Foundation, Grayson College, private developers, non-profit advocates, private citizens, and more. The group took the ideas and issues raised and turned them into twenty goals. The group further drilled down into the top five goals to come up with action items and strategies for meeting these goals. The goals laid out in the Vision 2040 are all means to the same end: to continue Denison’s journey to being THE Community of Choice for current and future residents, businesses, and visitors. The top five goals are: Establish dedicated funds for continuing infrastructure investments and improvements; design and implement gateway and corridor standards with common branding; recruit a high-end grocery store; build, staff and equip new Police and Fire stations and take the ISO Rating from 3 to 1.
- The Parks and Trails Master Plan was presented to City Council for consideration at their Regular Meeting on April 4, 2022. The Plan helps guide the future development of parks and trails throughout the City. The Plan was the result of hours of research and site visits, numerous public and committee meetings, community survey responses, and additional public and stakeholder feedback. Adoption of the Parks and Trails Master Plan became part of the City’s Comprehensive Plan which is used to guide land use and healthy development.
- April of 2022 saw a slew of new Public Art installations: the Sister Cities TV Munson mural on Main and Austin, the Tuskegee Airmen & Major Butler mural on Chestnut and Fannin, and the long-awaited “All Aboard” bronze sculpture group in the 100 block of East Main Street.

- Also in April, the City received the Texas Comptroller of Public Accounts' Transparency Star Award for Debt Obligations. This is the City's first time receiving the award in this area which is given for meeting and exceeding the program's high standard of financial transparency related to debt. The award signified Denison's efforts to provide residents with user-friendly and easily accessible information around public spending.
- On April 12, 2022, the 1972 Time Capsule buried during Denison's Centennial celebrations was opened at the History in the Hall event. Items included period artifacts, Centennial memorabilia, and information on the families, businesses, and organizations active in Denison at the time.
- In April 2022, Ronnie Bates joined Team Denison as Director of Public Works. Ronnie brings 34+ years of Public Works experience to the team. Ronnie is well versed in Emergency Management and is a founding member of the Public Works Emergency Response Council for the State of Texas. His experience, commitment, and visions will help steer our community through this season of unprecedented growth.
- Denison Parks and Recreation teamed up with the City's Public Library to establish the region's first StoryWalk at Texoma Health Foundation Park on August 1, 2022. StoryWalk in THF Park was created to allow families and kids to be able to spend time outdoors, while also creating pictures in their minds as they read a book. StoryWalk is a display of 16 book kiosks, each with a children's book inside. From page to page, each podium is spaced out about 36 steps from one another, causing you to walk approximately 800 feet in total by the time you finish the book.
- On April 4, 2022, Laurie Alsabbagh was named the City's new Finance Director. Alsabbagh's promotion comes following the promotion of former Finance Director Renee' Waggoner to the new Assistant City Manager position earlier this year. Alsabbagh has worked with the city for nearly 15 years, with a focus on finance. She joined the city in 2007 as an accountant and was promoted to the assistant finance director position in 2012 where she has worked for the past decade. She brings a wealth of knowledge, a willingness to serve and leads with integrity.
- The new "Welcome to Downtown Denison" sign at the northeast corner of Austin Avenue and Chestnut Street was finished in September 2022. The stone for the sign had been installed for several months, with landscaping and lighting improvements. A local sign contractor, SignMachine, helped with the design, fabrication, and installation. The powder-coated metal is fade resistant and proudly welcomes visitors and residents to Downtown.
- Parks and Recreation created a new "Backyard" game area at Waterloo Lake Park. This exciting new area includes table tennis, cornhole, ladder toss and two pickleball courts. Dedication and official opening to take place in 2023.
- 2023 Great American Main Street Awards. Denison Live! was one of the nationwide semifinalists for the 2023 Great American Main Street Award, or GAMSA. Denison Main Street's signature economic vitality programs offer examples of future-focused planning. Recognizing that the downtown area needed to take bold steps to manage unprecedented development interests and economic growth, they initiated Operation Increase Occupancy. Since 2011, this program has assembled a suite of tools designed to nurture the transformation to vibrancy while preserving retail spaces for local entrepreneurs. Window displays in vacant buildings, the establishment of an Entertainment District to support more outdoor entertainment venues, and incentives for destination eateries and beverage makers has created fertile ground for the community to reclaim downtown's vacant spaces and transform them into vibrant places. Denison Main Street also credits their past successes and bright future to their partnerships with local history, heritage, and

arts organizations that increase the program's capacity to recruit and train volunteers, host cultural events downtown, and harness the transformative power of the arts and creative economy.

- The Texoma Health Foundation or THF, Park was voted 1st placed for Best Park in the 2021 Best of Texoma Awards in November 2021. 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.
- 2022 was Denison's 150th Birthday. Denison150 Sesquicentennial Celebrations were held throughout 2022 with the Denison 150th Birthday Party being held on September 23--25, 2022. The three-day event included Friday pre-game tailgating in Touchdown Alley with pre-kickoff fireworks. A birthday celebration was held in Forest Park with free family activities, food trucks, live performances, time capsule item collection and then a Conductor's Ball that evening at the Katy Depot. Sunday was a community-wide worship service at Munson Stadium next to Forest Park. The Time Capsule will be buried at a ceremony in November 2022 at the Katy Depot Park.
- A total of 310 new single-family housing permits and 109 new duplex housing permits were issued from October 2021 to September 2022.

MAJOR INITIATIVES

- The first section of the Designing Downtown Denison (D3) project opened in December 2021. Houston Avenue from Chestnut Street to Woodard Street reopened to through traffic. Houston Avenue contains much of the neighborhood's stormwater infrastructure, both below and aboveground, making it one of the most engineering and labor-intensive pieces of the D3 place-making project. Construction in the 100 and 200 blocks of Main Street is expected to be complete in late 2022. Phase Two design of D3 is expected to begin in early 2023.
- Loy Lake Storm Drain repair. The storm drain repair along Loy Lake Road, next to Waterloo Pool, was completed in December 2021. The project took approximately six weeks, from beginning of construction to completion. The City contracted the repair with Insituform to replace a collapsed section of pipe, reinforce the remainder of the pipe with a cured-in-place-pipe (CIPP) technology, and replace the failing headwall. There are two 60-inch storm drainpipes running beneath Loy Lake Road that are approximately 325-feet long. These drainpipes allowed for the repairs to be completed without disturbing the roadway or traffic.
- FM 691 Waterline. The 12" waterline along FM 691 between FM 1417 and Preston Road began. Staff partnered with Pittard Construction for the project. This waterline will serve the new water tower located at Grayson College and will also provide water service for homes and businesses along FM 691. The waterline is projected to be completed by the end of 2022.
- September 2022 - City staff and Pittard Construction collaborated to install a 16-foot-long and 8-foot-wide pressure reducing vault near Grayson College. Utilities and Water Plant staff worked together and despite having to valve off mains for the tie-in, water service for residents and businesses was uninterrupted. The vault is key in the City's plan to decommission the Airport and College Pressure planes, which will improve water pressure and quality to customers in the area. The vault is the last piece of the FM 691 waterline, which consisted of installing a 12" waterline from FM 1417 to Preston Road for approximately 8,829 feet.
- The multi-phase Paw Paw Wastewater Treatment Plant expansion began moving forward. Several elements were completed, and a new pump controller was installed. Staff plans to complete the current expansion in 2031.

- The City replaced their existing phone system due to end of life in June 2022. The replacement included new desk phones, server redundancy, enhanced customizations, and SIP readiness. Some of the new features include a mobile application, heightened security, improved reporting, and modernized system management.
- Quarter Mile Road/FM 1417 Water Line, Phase 2 was completed in summer 2022. The FM 1417 Water Line included approximately 11,300 of 12-inch diameter PVC water line. The new line runs approximately from the Caterpillar plant on FM 1417 to FM 996. The project supported the combination of the Airport and College pressure planes into the Parkdale pressure plane, as well as provided water service to new commercial and residential development.
- Generators for Randell Lake Pump Station and Parkdale Elevated Storage Tank were delivered to each site. The project to install the generators is ahead of schedule despite nation-wide delays in materials. Generators are also planned to be installed at Fire Station 2 and City Hall in the future.
- The first project of the Rylant Water Treatment Plant expansion will begin in late 2022 and is expected to be completed in the first quarter of 2023. The project will include rehabilitation of Clarifier 1 to handle additional flow so that Clarifier 2 can be taken offline for work in future phases of the expansion.

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 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>
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
2021-2022	\$0.652034	2,075,368,996	12,509,237

OTHER INFORMATION

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Denison for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the eleventh 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

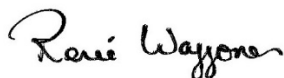
Many persons are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Division who were instrumental in the successful completion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

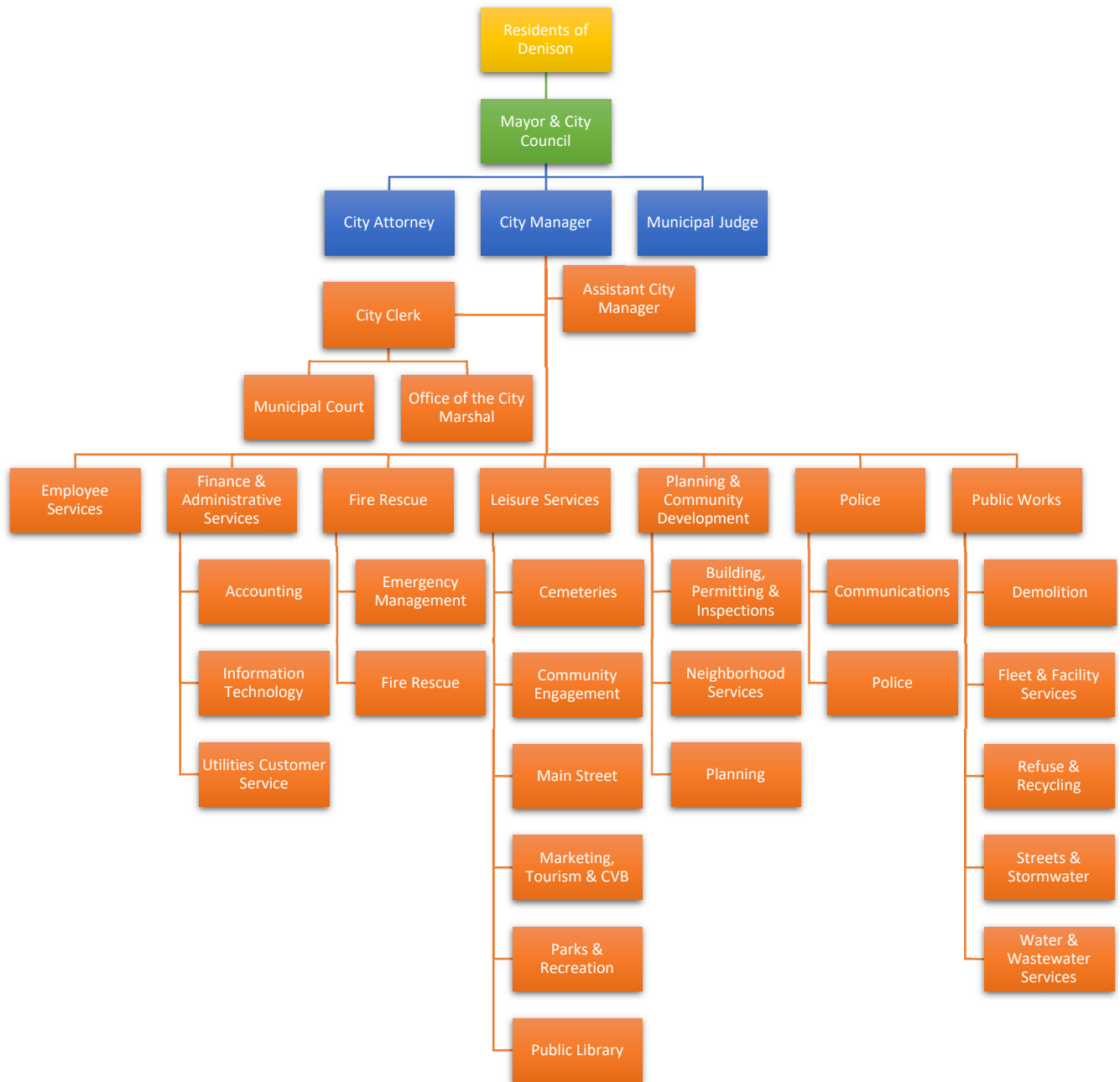
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

City of Denison 2021/2022 Budget Organizational Chart



City of Denison, Texas
ELECTED AND APPOINTED OFFICIALS
September 30, 2022

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

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

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Denison, Texas (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Denison Business and Industrial Corporation, component unit of the City, which represents 88%, 81%, and 98%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Denison Business and Industrial Corporation, is based solely on the report of the other auditors.

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

In performing an audit in accordance with GAAS, we:

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

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

Emphasis of Matter

Restatements

As discussed in Note V.J. to the financial statements, due to the implementation of GASB Statement No. 87, *Leases*, the City restated beginning capital assets and long-term liabilities for governmental and business-type activities. A discretely presented component unit also restated beginning capital assets and long-term liabilities due to the implementation of GASB Statement 87. In addition, the City restated beginning net position/fund balance for governmental activities, business-type activities, the general fund, and the utility fund in order to correct sales tax revenues and capital asset balances in the prior year. Our opinion is not modified with respect to these matters.

Component Unit Yearend

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Brooks Watson & Co.
Certified Public Accountants
Houston, Texas
April 13, 2023

City of Denison, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2022

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, 2022. 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 \$86,095,864 at September 30, 2022. Of this, \$9,644,934 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$32,528,742, a decrease of \$2,703,762. This decrease is primarily due to significantly greater capital outlay expenditures compared to the prior year.
- As of the end of the year, the unassigned fund balance of the general fund was \$8,860,243 or 26% of total general fund expenditures.
- The City had an overall increase in net position of \$11,170,615.
- The City's net pension asset totaled \$2,689,040 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, 2022

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, 2022

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

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

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

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

Proprietary Funds

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

Fiduciary Funds

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

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

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

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 \$86,095,864 as of September 30, 2022, in the primary government.

The largest portion of the City's net position, \$66,217,916, 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 governmental activities resulted in a significant increase in capital assets and other liabilities. This increase is primarily a result of the City's investment in the D3 project. Certain infrastructure investments were unpaid as of the end of the year.

The most significant change in business-type activities resulted in increases to current and other assets, which is a direct result of greater cash on hand due to unspent bond proceeds as of yearend. In addition, capital assets and other liabilities increased due to new utility infrastructure investments, which a portion of remained unpaid as of yearend.

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2022			2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 44,381,119	\$ 37,182,157	\$ 81,563,276	\$ 38,403,201	\$ 23,692,733	\$ 62,095,934
Capital assets, net	70,138,470	72,051,076	142,189,546	60,377,930	59,865,028	120,242,958
Net pension asset	2,097,759	591,281	2,689,040	2,380,557	-	2,380,557
Total Assets	116,617,348	109,824,514	226,441,862	101,161,688	83,557,761	184,719,449
Deferred Outflows of Resources	1,650,294	284,571	1,934,865	1,676,164	313,772	1,989,936
Other liabilities	9,706,890	6,712,608	16,419,498	7,697,475	4,627,599	12,325,074
Long-term liabilities	45,811,994	71,722,227	117,534,221	44,052,206	51,243,761	95,295,967
Total Liabilities	55,518,884	78,434,835	133,953,719	51,749,681	55,871,360	107,621,041
Deferred Inflows of Resources	7,273,099	1,054,045	8,327,144	3,683,186	479,909	4,163,095
Net Position:						
Net investment in capital assets	43,044,809	23,173,107	66,217,916	40,778,772	19,181,636	59,960,408
Restricted	10,233,014	-	10,233,014	7,155,833	-	7,155,833
Unrestricted	2,197,836	7,447,098	9,644,934	(529,620)	8,338,628	7,809,008
Total Net Position	\$ 55,475,659	\$ 30,620,205	\$ 86,095,864	\$ 47,404,985	\$ 27,520,264	\$ 74,925,249

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

Statement of Activities:

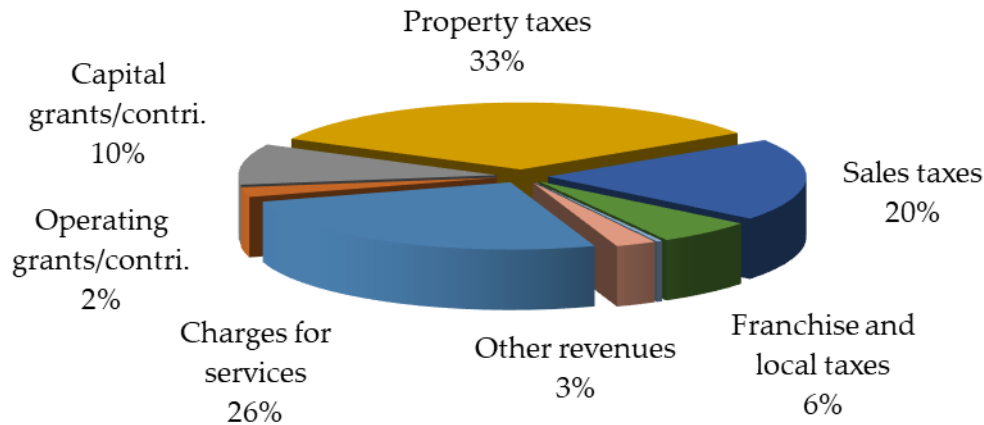
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2022			For the Year Ended September 30, 2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
			Primary Government			Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 10,209,298	\$ 16,903,891	\$ 27,113,189	\$ 9,450,464	\$ 14,518,795	\$ 23,969,259
Operating grants/contri.	949,989	-	949,989	912,461	-	912,461
Capital grants/contri.	3,913,306	-	3,913,306	5,260,875	-	5,260,875
General revenues:						
Property taxes	13,263,057	-	13,263,057	12,248,777	-	12,248,777
Sales taxes	7,924,179	-	7,924,179	6,437,969	-	6,437,969
Franchise and local taxes	2,419,078	-	2,419,078	2,032,350	-	2,032,350
Investment income	147,480	229,802	377,282	95,150	33,938	129,088
Other revenues	1,013,301	-	1,013,301	712,483	-	712,483
Total Revenues	39,839,688	17,133,693	56,973,381	37,150,529	14,552,733	51,703,262
Expenses						
General government	6,417,612	-	6,417,612	4,690,211	-	4,690,211
Public safety	13,218,099	-	13,218,099	11,977,539	-	11,977,539
Community services	6,815,721	-	6,815,721	6,532,744	-	6,532,744
Public works	6,227,422	-	6,227,422	6,101,920	-	6,101,920
Interest and fiscal charges	1,061,659	1,907,004	2,968,663	1,030,163	1,425,075	2,455,238
Water & sewer	-	10,155,249	10,155,249	-	9,408,971	9,408,971
Total Expenses	33,740,513	12,062,253	45,802,766	30,332,577	10,834,046	41,166,623
Change in Net Position						
Before Transfers	6,099,175	5,071,440	11,170,615	6,817,952	3,718,687	10,536,639
Transfers	1,971,499	(1,971,499)	-	2,304,170	(2,304,170)	-
Total	1,971,499	(1,971,499)	-	2,304,170	(2,304,170)	-
Change in Net Position	8,070,674	3,099,941	11,170,615	9,122,122	1,414,517	10,536,639
Beginning Net Position	47,404,985	27,520,264	74,925,249	38,282,863	26,105,747	64,388,610
Ending Net Position	\$ 55,475,659	\$ 30,620,205	\$ 86,095,864	\$ 47,404,985	\$ 27,520,264	\$ 74,925,249

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

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

Governmental Activities - Revenues

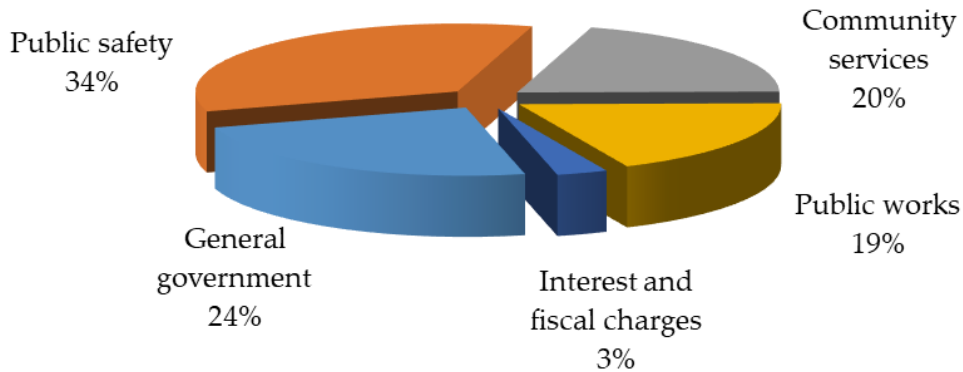


For the year ended September 30, 2022, revenues from governmental activities totaled \$39,839,688. Charges for services, property tax, and sales tax are the City's largest revenue sources. Charges for services increased by \$758,834 or 8%, which was due to greater building permits, garbage disposal and ambulance services and swimming pool fees, resulting from new construction and City growth over the course of the year. Grants and contributions decreased by \$1,310,041 or 21% due primarily to nonrecurring federal grant funding received in the prior year related to the CARES Act. Property taxes increased by \$1,014,280 or 8% due to greater assessed property values in the current year. Sales taxes increased by \$1,486,210 or 23% due to growth and development within the City, fueling local purchases. Franchise and local taxes increased by \$386,728 or 19% primarily due to greater hotel/motel taxes, as a direct result of more tourism activities compared to the prior year. Investment income increased \$52,330 or 55% due to the realization of higher interest rates and greater interest-bearing accounts held during the year. Other revenues increased by \$300,818 or 42% as a result of a nonrecurring gain on sale of assets in the current year. All other revenues remained relatively consistent with the prior year.

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

This graph shows the governmental function expenses of the City:

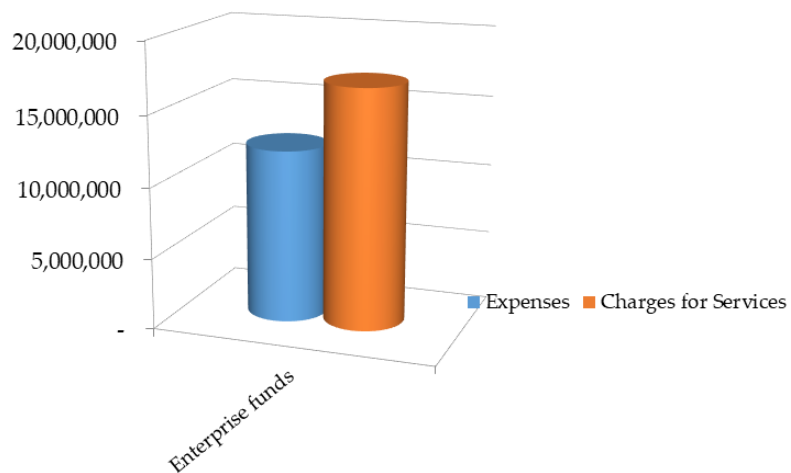
Governmental Activities - Expenses



For the year ended September 30, 2022, expenses for governmental activities totaled \$33,740,513. This represents an increase of \$3,407,936 or 11% from the prior year. The City's largest functional expense is public safety of \$13,218,099 and increased by \$1,240,560 or 10%. This increase is primarily a result of the City operating EMS services internally in the current year. In prior years, the City utilized a third party for these services. As such, the City employed more EMS staff members and required greater EMS supply purchases in the current year. General government expenses increased by \$1,727,401 or 37% primarily due to greater personnel costs, resulting from hiring additional employees and current year promotions. In addition, the City incurred greater legal fees, contractual expenses, and nonrecurring contingency expenses 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, 2022

For the year ended September 30, 2022, charges for services by business-type activities totaled \$16,903,891. This is an increase of \$2,385,096 or 16%, from the previous year. The increase is primarily a result of greater water consumption (approximately 23.5%) compared to the prior year and increased sewer service rates charged to customers in the current year.

Total expenses increased by \$1,228,207 or 11% compared to the prior year. Interest and fiscal charges increased primarily due to greater interest paid resulting from new debt issuances and nonrecurring bond issuance costs recognized in the current year. Utility service expenses increase due to greater personnel costs, water purchases, water treatment supplies, repairs/maintenance and depreciation expenses in the current year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of the end of the year the general fund reflected a total fund balance of \$11,535,360. Of this, \$145,090 is nonspendable inventories, \$4,572 is committed to cemetery, \$104,861 is committed for contingency, and \$2,420,594 is restricted for capital improvements. Unassigned fund balance totaled \$8,860,243 as of year end.

General fund balance increase by \$1,908,186 primarily due to receiving greater sales taxes and license and permit revenues than anticipated. In addition, the City incurred significantly less expenditures than what was appropriated. Property tax increased by \$788,163 when compared to the prior year due to greater assessed property values. Intergovernmental revenues decreased by \$1,320,600 due to nonrecurring funds received through the CARES Act in the prior year.

The general bond fund reflected a total fund balance of \$3,655,593, an decrease of \$7,607,979. The decrease is primarily a result of a large increase in capital outlay expenditures incurred related to the D3 project.

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, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a total positive budget variance of \$6,244,446 in the general fund. This is a combination of a positive revenue variance of \$1,545,356, a positive expenditure variance \$2,807,500, and positive variance in other financing sources of \$1,891,590.

The original general fund budget deficit of \$91,581 was amended during the year to a final budgeted deficit of \$4,336,260. Significant amendments made to expenditures included an increase in the city manager/administration and public safety – dispatch departments, and public works.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$70,138,470 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 \$72,051,076 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Improvements to 321 W Main St for \$79,702.
- Purchase of new IT equipment totaling \$230,098.
- Purchased new phone system for City for \$115,808.
- Purchased two new Chevy Tahoes totaling \$132,690.
- Purchased a new CAN-AM for \$24,100.
- Purchased new bodycams for \$99,110.
- Purchased a Pierce Impel Pumper for \$607,210.
- Purchased three CV515 diesel trucks totaling \$250,500.
- Purchased new dumpsters and trash carts totaling \$122,282.
- Purchased two garbage trucks for \$582,472.
- Purchased public safety radios \$781,364.
- Purchased a new tilt trailer for \$120,050.
- Purchased a freightliner patch truck for \$203,036.
- Purchased a Husqvarna saw for \$39,700.
- Construction and design for the D3 project totaling \$8,212,594.
- Loy Lake Road improvements totaling \$662,427.
- Improvements to the Lang and Waterloo Roundabout for \$319,738.
- Park improvements totaling \$68,132.
- Improvements to NG911 Vesta hardware system for \$160,581.
- Purchased new playground equipment for \$54,899.
- Purchased new police equipment for \$236,878.
- Improvements to the Texoma pump station totaling \$785,127.

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2022

- Improvements to the Theresa Water Line totaling \$370,854.
- System and distribution improvements totaling \$66,781.
- Improvements to the Grayson Water Tower for 445,121.
- Improvements to the secondary clarifier for \$1,446,461.
- Duck Creek improvements totaling \$1,191,680.
- Return Pump Station improvements totaling \$131,617.
- Water plant expansion improvements totaling \$585,405.
- PawPaw secondary clarifier replacements totaling \$507,293.
- Rusk Waterline improvements totaling \$171,669.
- Purchase of the Pista Grit Chamber for \$45,756.
- Purchased a new Ford Flush Truck for \$211,748.
- Purchased a new John Deere excavator \$129,322.
- Purchased a backhoe loader for \$148,848.
- Purchased a new water meter for \$28,050.
- Purchased a new Bobcat track loader for \$71,177.

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

LONG-TERM DEBT

At the end of the current year, the City had total bonds, notes payable, and other liabilities outstanding of \$119,421,709. During the year, the City made payments on long-term debt totaling \$6,689,525. Additions to long-term debt include Certificates of Obligation, Series 2022B, totaling \$4,600,000 in governmental activities and Certificates of Obligation, Series 2022B, totaling \$22,165,000 in business-type activities. The City's credit rating remained unchanged over the course of the year. More detailed information about the City's long-term liabilities is presented in note IV. G to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

City of Denison, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2022

The following known factors were considered in preparing the City's operating budget for fiscal year 2022-2023:

- This budget will raise more revenue from total property taxes than last year's budget by an amount of \$858,829 (8.1% increase). The property tax revenue to be raised from new property added to the tax roll this year is \$543,712.
- The adopted property tax rate for fiscal year 2022-2023 has remained at \$0.652034 per \$100 valuation.
- Sales tax receipts were up in fiscal year 2022, and we expect an increase in fiscal year 2023 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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 24,393,437	\$ 31,573,089	\$ 55,966,526	\$ 5,319,427
Investments	400,000	805,924	1,205,924	240,000
Restricted assets - cash	8,384,731	2,156,172	10,540,903	11,533
Restricted assets - investments	-	-	-	668,175
Receivables, net	3,691,072	2,416,250	6,107,322	1,674,940
Inventory	145,090	164,509	309,599	-
Internal balances	(66,213)	66,213	-	-
Intergovernmental receivable	-	-	-	2,678,080
Current portion of grant receivables	793,519	-	793,519	-
Notes receivable - current	165,000	-	165,000	168,423
Interest in net position of recipient org.	202,445	-	202,445	-
Total Current Assets	38,109,081	37,182,157	75,291,238	10,760,578
Net pension asset - TMRS	2,097,759	591,281	2,689,040	-
Notes receivable - long-term	4,685,000	-	4,685,000	1,100,189
Long-term grant receivables	1,587,038	-	1,587,038	-
Capital assets:				
Non-depreciable	17,737,370	18,579,019	36,316,389	4,427,644
Net depreciable capital assets	52,401,100	53,472,057	105,873,157	2,785,227
Total Noncurrent Assets	78,508,267	72,642,357	151,150,624	8,313,060
Total Assets	116,617,348	109,824,514	226,441,862	19,073,638
Deferred Outflows of Resources				
Pension contributions				
TMRS	870,681	245,413	1,116,094	-
Firefighter's pension	539,001	-	539,001	-
Pension changes in assumptions				
TMRS	39,431	11,114	50,545	-
Firefighter's pension	201,181	-	201,181	-
Deferred charge on bond refunding	-	28,044	28,044	-
Total Deferred Outflows of Resources	1,650,294	284,571	1,934,865	-

City of Denison, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<u>Liabilities</u>				
Accounts payable and accrued liabilities	3,783,290	1,806,682	5,589,972	261,067
Escrow payable	-	-	-	11,533
Accrued interest payable	225,354	499,926	725,280	396,670
Compensated absences - current	1,430,084	342,671	1,772,755	7,158
Intergovernmental payable - current	165,000	-	165,000	-
Long-term debt - current	4,103,162	3,454,274	7,557,436	254,418
Total Current Liabilities	9,706,890	6,712,608	16,419,498	930,846
Noncurrent liabilities:				
Net pension liab. - firefighter's pension	1,768,182	-	1,768,182	-
Compensated absences - noncurrent	1,690,319	51,409	1,741,728	64,427
Intergovernmental payable - noncurrent	2,160,038	-	2,160,038	-
Long-term debt - noncurrent	40,193,455	71,670,818	111,864,273	4,871,475
Total Noncurrent Liabilities	45,811,994	71,722,227	117,534,221	4,935,902
Total Liabilities	55,518,884	78,434,835	133,953,719	5,866,748
<u>Deferred Inflows of Resources</u>				
Pension difference in experience				
TMRS	118,628	33,437	152,065	-
Firefighter's pension	259,062	-	259,062	-
Pension investment earnings				
TMRS	3,620,936	1,020,608	4,641,544	-
Firefighter's pension	3,274,473	-	3,274,473	-
Lease related	-	-	-	985,722
Total Deferred Inflows of Resources	7,273,099	1,054,045	8,327,144	985,722
<u>Net Position</u>				
Net investment in capital assets	43,044,809	23,173,107	66,217,916	1,690,308
Restricted for:				
Capital improvements	3,809,600	-	3,809,600	-
Debt service	986,458	-	986,458	13,245
Municipal court	78,307	-	78,307	-
Public safety	105,694	-	105,694	-
Library	1,117,832	-	1,117,832	-
Federal relief grants	4,135,123	-	4,135,123	-
Unrestricted	2,197,836	7,447,098	9,644,934	10,517,615
Total Net Position	\$ 55,475,659	\$ 30,620,205	\$ 86,095,864	\$ 12,221,168

See Notes to Financial Statements.

City of Denison, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 6,417,612	\$ 241,737	\$ 197,702	\$ -
Public safety	13,218,099	1,356,310	164,117	-
Community services	6,815,721	2,453,643	91,154	250,000
Public works	6,227,422	6,157,608	497,016	3,663,306
Interest and fiscal charges	1,061,659	-	-	-
Total Governmental Activities	33,740,513	10,209,298	949,989	3,913,306
Business-Type Activities				
Water & Sewer	12,062,253	16,903,891	-	-
Total Business-Type Activities	12,062,253	16,903,891	-	-
Total Primary Government	\$ 45,802,766	\$ 27,113,189	\$ 949,989	3,913,306
 Component units:				
Business and Industrial Corporation	2,590,818	451,885	271,120	-
Denison Public Library Endowment Fund	58,169	-	19,514	-
Denison Community Investment Corp.	14,863	-	-	-
Total Component Units	\$ 2,663,850	\$ 451,885	\$ 290,634	\$ -

General Revenues:

- Taxes
 - Property taxes
 - Sales taxes
 - Franchise and local taxes
- Investment income (losses)
- 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
\$ (5,978,173)	\$ -	\$ (5,978,173)	\$ -
(11,697,672)	-	(11,697,672)	-
(4,020,924)	-	(4,020,924)	-
4,090,508	-	4,090,508	-
(1,061,659)	-	(1,061,659)	-
<u>(18,667,920)</u>	<u>-</u>	<u>(18,667,920)</u>	<u>-</u>
-	4,841,638	4,841,638	-
-	4,841,638	4,841,638	-
<u>\$ (18,667,920)</u>	<u>\$ 4,841,638</u>	<u>\$ (13,826,282)</u>	<u>\$ -</u>
-	-	-	(1,867,813)
-	-	-	(38,655)
-	-	-	(14,863)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,921,331)</u>
13,263,057	-	13,263,057	-
7,924,179	-	7,924,179	2,558,727
2,419,078	-	2,419,078	-
147,480	229,802	377,282	(40,218)
1,013,301	-	1,013,301	53,463
1,971,499	(1,971,499)	-	-
<u>26,738,594</u>	<u>(1,741,697)</u>	<u>24,996,897</u>	<u>2,571,972</u>
8,070,674	3,099,941	11,170,615	650,641
47,404,985	27,520,264	74,925,249	11,570,527
<u>\$ 55,475,659</u>	<u>\$ 30,620,205</u>	<u>\$ 86,095,864</u>	<u>\$ 12,221,168</u>

City of Denison, Texas

BALANCE SHEET (Page 1 of 2)

GOVERNMENTAL FUNDS

September 30, 2022

	General	General Bond	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 7,948,430	\$ 4,286,635	\$ 12,158,372	\$ 24,393,437
Investments	400,000	-	-	400,000
Restricted assets - cash	2,420,594	281,182	5,682,955	8,384,731
Receivables, net	5,901,580	-	2,695,011	8,596,591
Due from other funds	18,149	-	-	18,149
Inventory	145,090	-	-	145,090
Interest in net position of recipient org.	-	-	202,445	202,445
Total Assets	\$ 16,833,843	\$ 4,567,817	\$ 20,738,783	\$ 42,140,443
<u>Liabilities</u>				
Accounts payable and accrued liab.	\$ 2,164,004	\$ 912,224	\$ 707,062	\$ 3,783,290
Due to other funds	-	-	84,362	84,362
Total Liabilities	2,164,004	912,224	791,424	3,867,652
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	477,621	-	84,608	562,229
Unavailable revenue - fines and forfeitures	119,848	-	-	119,848
Unavailable revenue - grants	2,380,557	-	-	2,380,557
Unavailable revenue - intergovt. receivable	-	-	2,524,962	2,524,962
Unavailable revenue - contract services	156,453	-	-	156,453
Total Deferred Inflows of Resources	3,134,479	-	2,609,570	5,744,049

City of Denison, Texas

BALANCE SHEET (Page 2 of 2)

GOVERNMENTAL FUNDS

September 30, 2022

	General	General Bond	Nonmajor Governmental Funds	Total Governmental Funds
<u>Fund Balances</u>				
Nonspendable:				
Inventory	145,090	-	-	145,090
Restricted for:				
Debt service	-	-	986,458	986,458
Capital improvements	2,420,594	3,655,593	9,365,402	15,441,589
Municipal court	-	-	78,307	78,307
Public safety	-	-	105,694	105,694
Community services	-	-	1,117,832	1,117,832
Federal relief grants	-	-	4,135,123	4,135,123
Committed to:				
Parks	-	-	730,195	730,195
Cemetery	4,572	-	-	4,572
Contingency	104,861	-	-	104,861
General government	-	-	11,019	11,019
Capital projects	-	-	656,177	656,177
Assigned to:				
Capital projects	-	-	202,445	202,445
Unassigned	8,860,243	-	(50,863)	8,809,380
Total Fund Balances	11,535,360	3,655,593	17,337,789	32,528,742
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,833,843	\$ 5,819,597	\$ 20,738,783	\$ 42,140,443

See Notes to Financial Statements.



City of Denison, Texas

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

September 30, 2022

Fund Balances - Total Governmental Funds \$ 32,528,742

Adjustments for the Statement of Net Position:

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

Capital assets - non-depreciable	17,737,370
Capital assets - net depreciable	52,401,100
Net pension asset - TMRS	2,097,759

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	1,409,682
Pension investment earnings	(6,895,409)
Pension changes in assumptions	240,612
Pension difference in experience	(377,690)

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

Unavailable revenue items	838,530
Intergovernmental receivable - BICD	4,850,000
Grant receivables	2,380,557

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

Accrued interest	(225,354)
Compensated absences	(3,120,403)
Intergovernmental payable - BICD	(2,325,038)
Bond premium	(2,401,468)
Bonds, notes and other payables	(41,895,149)
Net pension liability - firefighter's pension fund	(1,768,182)

Net Position of Governmental Activities \$ 55,475,659

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, 2022

	General	General Bond	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property tax	\$ 10,319,801	\$ -	\$ 2,958,810	\$ 13,278,611
Sales tax	7,924,179	-	-	7,924,179
Franchise and local taxes	2,419,078	-	-	2,419,078
License and permits	1,200,857	-	-	1,200,857
Intergovernmental	525,702	793,519	3,923,476	5,242,697
Charges for services	7,758,496	-	651,419	8,409,915
Fines and forfeitures	375,158	-	60,855	436,013
Investment income	39,117	38,160	75,118	152,395
Contributions and donations	164,117	-	43	164,160
Other revenue	315,389	-	545,697	861,086
Total Revenues	31,041,894	831,679	8,215,418	40,088,991
Expenditures				
Current:				
General government	7,334,027	-	1,129,946	8,463,973
Public safety	12,741,976	-	125,510	12,867,486
Community services	6,182,524	-	340,757	6,523,281
Public works	6,320,388	-	1,262,739	7,583,127
Capital outlay	420,202	8,237,326	3,335,525	11,993,053
Debt Service:				
Principal	1,494,962	755,000	1,609,059	3,859,021
Interest and fiscal charges	152,846	67,274	1,083,813	1,303,933
Bond issuance costs	-	-	100,000	100,000
Total Expenditures	34,646,925	9,059,600	8,987,349	52,693,874
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,605,031)	(8,227,921)	(771,931)	(12,604,883)
Other Financing Sources (Uses)				
Transfers in	3,395,071	619,942	1,412,733	5,427,746
Transfers (out)	(1,199,986)	-	(2,244,771)	(3,444,757)
Lease liabilities	3,150,511	-	-	3,150,511
Proceeds from sale of assets	167,621	-	-	167,621
Bond issuance	-	-	4,600,000	4,600,000
Total Other Financing Sources (Uses)	5,513,217	619,942	3,767,962	9,901,121
Net Change in Fund Balances	1,908,186	(7,607,979)	2,996,031	(2,703,762)
Beginning fund balances	9,627,174	11,263,572	14,341,758	35,232,504
Ending Fund Balances	\$ 11,535,360	\$ 3,655,593	\$ 17,337,789	\$ 32,528,742

See Notes to Financial Statements.

City of Denison, Texas

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

For the Year Ended September 30, 2022

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

Net changes in fund balances - total governmental funds	\$ (2,703,762)
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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	12,174,572
Depreciation expense	(2,388,411)
Net effect of capital asset transfers and disposals	(25,621)

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

Unavailable revenues	146,959
Grant revenue	(793,519)

Net balance of funds due to DDA	2,524,962
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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	(266,268)
Pension expense - TMRS	1,516,560
Pension expense - Firemen's pension	1,506,722
Accrued interest	81,402

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

Amortization of premium	160,872
Issuance of debt	(4,600,000)
Current year lease liabilities	(3,150,511)
Principal payments	3,859,021
Landfill post-closure cost	27,696

Change in Net Position of Governmental Activities	\$ 8,070,674
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See Notes to Financial Statements.

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

	Utility Fund
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 31,573,089
Investments	805,924
Receivables, net	2,416,250
Due from other funds	66,213
Inventory	164,509
Restricted assets - cash	2,156,172
Total Current Assets	37,182,157
<u>Noncurrent Assets</u>	
Capital assets:	
Non-depreciable	18,579,019
Net depreciable capital assets	53,472,057
Net pension asset	591,281
Total Noncurrent Assets	72,642,357
Total Assets	109,824,514
 <u>Deferred Outflows of Resources</u>	
Pension contributions	245,413
Pension changes in assumptions	11,114
Deferred charge on bond refunding	28,044
Total Deferred Outflows of Resources	284,571

City of Denison, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
PROPRIETARY FUND
September 30, 2022

	Utility Fund
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	\$ 1,806,682
Customer deposits	609,055
Accrued interest	499,926
Compensated absences - current	342,671
Long-term liabilities due within one year	3,454,274
Total Current Liabilities	6,712,608
 <u>Noncurrent Liabilities</u>	
Compensated absences - noncurrent	51,409
Long-term liabilities in more than one year	71,670,818
Total Noncurrent Liabilities	71,722,227
Total Liabilities	78,434,835
 <u>Deferred Inflows of Resources</u>	
Pension difference in experience	33,437
Pension investment earnings	1,020,608
Total Deferred Inflows of Resources	1,054,045
 <u>Net Position</u>	
Net investment in capital assets	23,173,107
Unrestricted	7,447,098
Total Net Position	\$ 30,620,205

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, 2022

	Utility Fund
<u>Operating Revenues</u>	
Charges for services	\$ 16,855,353
Other revenue	48,538
Total Operating Revenues	16,903,891
 <u>Operating Expenses</u>	
Personnel services	3,433,635
Supplies and materials	1,988,167
Contractual services	1,613,135
Repairs and maintenance	1,506,688
Depreciation	1,649,648
Total Operating Expenses	10,191,273
Operating Income	6,712,618
 <u>Nonoperating Revenues (Expenses)</u>	
Investment income	229,802
Gain (loss) on sale of capital asset	36,024
Bond issuance expense	(303,135)
Interest expense	(1,603,869)
Total Nonoperating Revenues (Expenses)	(1,641,178)
Income Before Transfers	5,071,440
Transfers in	407,289
Transfers (out)	(2,390,278)
Capital assets transferred from governmental activities	11,490
Total Transfers	(1,971,499)
Change in Net Position	3,099,941
Beginning net position	27,520,264
Ending Net Position	\$ 30,620,205

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, 2022

	Utility Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 16,543,024
Payments to suppliers and service providers	(5,107,990)
Payments to employees for salaries and benefits	(2,863,028)
Net Cash Provided by Operating Activities	8,572,006
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers in	407,289
Transfers (out)	(2,390,278)
Net Cash (Used) by Noncapital Financing Activities	(1,982,989)
<u>Cash Flows from Capital and Related Financing Activities</u>	
Capital purchases	(13,512,371)
Proceeds from sale of capital assets	44,130
Proceeds from bond issuance	24,603,135
Bond issuance costs paid	(303,135)
Principal paid on debt	(2,830,504)
Interest paid on debt	(1,757,730)
Net Cash Provided (Used) by Capital and Related Financing Activities	6,243,525
<u>Cash Flows from Investing Activities</u>	
Interest on investments	229,802
Net Cash Provided by Investing Activities	(173,123)
Net Increase (Decrease) in Cash and Cash Equivalents	12,659,419
Beginning cash and cash equivalents	21,069,842
Ending Cash and Cash Equivalents	\$ 33,729,261

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, 2022

	Utility Fund
<u>Reconciliation of Operating Income</u>	
<u>to Net Cash Provided by Operating Activities</u>	
Operating Income	\$ 6,712,618
Adjustments to reconcile operating income to net cash provided:	1,649,648
Depreciation	
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	(359,056)
Inventory	(1,811)
Deferred Outflows of Resources:	
Pension contributions	(60,753)
Actual experience vs. assumption	19,067
Increase (Decrease) in:	
Accounts payable and accrued liabilities	1,108,739
Compensated absences	13,334
Net pension liability	(1,083,916)
Deferred Inflows of Resources:	
Pension investment returns	578,045
Difference in experience	(3,909)
Net Cash Provided by Operating Activities	\$ 8,572,006
 <u>Schedule of Non-Cash Capital and Related Financing Activities</u>	
Capital assets contributed from governmental activities	\$ 11,490
Current year lease liabilities	319,941
Total	\$ 331,431

See Notes to Financial Statements.

City of Denison, Texas

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

September 30, 2022

	Custodial Funds
<u>Assets</u>	
Cash and cash equivalents	\$ 88,228
Total Assets	88,228
<u>Net Position</u>	
Restricted for organizations and other governments	88,228
Total Net Position	\$ 88,228

See Notes to Financial Statements.

City of Denison, Texas
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Year Ended September 30, 2022

		<u>Custodial Funds</u>
<u>Additions</u>		
Contributions		\$ 35,048
	Total Additions	<u>35,048</u>
 <u>Deductions</u>		
Intergovernmental		67,054
	Total Deductions	<u>67,054</u>
	Change in Net Position	(32,006)
Beginning net position		120,234
	Ending Net Position	<u>\$ 88,228</u>

See Notes to Financial Statements.

City of Denison, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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, 2022

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 2022 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, 2021. 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, 2022

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
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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
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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.

Proprietary Fund Types

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

The government reports the following major enterprise fund:

Utility Fund

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

City of Denison, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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Additionally, the City reports for the following fund types:

Debt Service Fund

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

Special Revenue Funds

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

Fiduciary Funds

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

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

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

D. Measurement Focus and Basis of Accounting

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

City of Denison, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

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

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

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

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, 2022

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

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

4. Property Taxes

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

5. Inventories and Prepaid Items

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

6. Restricted Assets

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

7. Capital Assets

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

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

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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has two items that qualify for reporting in this category. They are the deferred pension contributions which are required to convert the fiscal year contributions to the calendar year 2022 and the deferred investment earnings which represent investment return over/under expectation. Both are reported in the government-wide statement of net position.

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

City of Denison, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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9. Net Position Flow Assumption

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

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

10. Fund Balance Flow Assumptions

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

11. Fund Balance Policies

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

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

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

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

12. Pensions

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

13. Compensated Absences

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

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

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

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

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

14. Long-Term Obligations

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

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

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

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

15. Estimates

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

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NOTES TO FINANCIAL STATEMENTS, Continued
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16. Leases

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

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

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

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

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

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

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

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

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

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

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

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, general bond, special revenue, and utility funds. The City adopted budgets for all governmental special revenue funds with the exception of Community Development Operating, Mr. & Mrs. Jones Memorial Trust, Project Participation, and Hotel Occupancy Tax 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

City of Denison, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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level for the general fund. For all other fund budgets, the legal level of control is the fund level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. Several supplemental budget appropriations were made during the year.

A. Expenditures Exceeding Appropriations

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

General fund:	
Capital outlay	\$ 390,202
Debt service – principal	99,124
Debt service – interest	16,297
Transfers (out)	21,443
Tax Increment Reinvestment fund:	
Total expenditures	\$ 489,316
Transfers (out)	32,087
Cemetery Pre-Pay O&C fund:	
Transfers (out)	\$ 6,885
Denison Public Library fund:	
General government	\$ 60,528
Fire Equipment fund:	
Public safety	\$ 14,005
Law Enforcement Forfeitures fund:	
Public safety	\$ 23,433
Special Events fund:	
Total expenditures	\$ 149,746
Homeland Security Grant fund:	
Total expenditures	\$ 3,024
Transfers (out)	6,480
Vehicle Seizures fund:	
Transfers (out)	\$ 1,267

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

Police Equipment fund:		
Public safety	\$	3,660

B. Deficit Fund Equity

The community development operating, fire equipment, and special events funds had a deficit fund balance of \$37,803, \$1,991, and \$11,069, respectively, as of September 30, 2022. This deficit will be replenished in the subsequent periods.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Investment Type	Value	Weighted Average Maturity (Years)
Certificates of deposit	\$ 1,205,924	0.33
External investment pools	41,968,821	0.03
Total value	\$ 43,174,745	
Portfolio weighted average maturity		0.37

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

Denison Community Investment Corporation

Investment Type	Value	Weighted Average Maturity (Years)
Certificates of deposit*	\$ 240,000	0.46
Total value	\$ 240,000	
Portfolio weighted average maturity		0.46

Denison Public Library Endowment Fund

Investment Type	Value	Weighted Average Maturity (Years)
Bonds	\$ 222,080	1.08
Stocks	424,204	0.00
Alternatives fund	21,891	0.00
Total value	\$ 668,175	
Portfolio weighted average maturity		0.36

*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.

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

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

City of Denison, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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deposits. As of September 30, 2022, the market values of pledged securities and FDIC exceeded bank balances.

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

TexSTAR

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

B. Fair Value Measurement

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

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

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

The following table sets forth by level, within the fair value hierarchy, the component unit's fair value measurements at September 30, 2022:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Bonds	\$ 222,080	\$ 222,080	\$ -	\$ -
Stocks	424,204	424,204	-	-
Alternatives	21,891	21,891	-	-
Total Assets at fair value	<u>\$ 668,175</u>	<u>\$ 668,175</u>	<u>\$ -</u>	<u>\$ -</u>

C. Receivables

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

	Nonmajor Governmental			Total
	<u>General</u>	<u>Funds</u>	<u>Utility</u>	
Property taxes	\$ 501,946	\$ 89,184	\$ -	\$ 591,130
Sales tax	1,566,152	-	-	1,566,152
Franchise taxes	80,997	-	-	80,997
Hotel taxes	83,209	-	-	83,209
Fines	971,409	-	-	971,409
Ambulance	309,047	-	-	309,047
Accounts	621,207	85,440	2,451,816	3,158,463
Grant receivable	2,380,557	-	-	2,380,557
Other receivables	400,431	2,524,962	-	2,925,393
Allowance	(1,013,375)	(4,575)	(35,566)	(1,053,516)
	<u>\$ 5,901,580</u>	<u>\$ 2,695,011</u>	<u>\$ 2,416,250</u>	<u>\$ 11,012,841</u>

2. Lease Receivables - BICD

The discretely presented component unit, BICD, as lessor, entered into a noncancelable lease with a term commencing July 5, 2020 through July 4, 2025. The BICD will receive payments of \$33,851 monthly. With the implementation of GASB 87, BICD recognized \$358,444 in lease revenue and \$75,521 in interest revenue during the current fiscal year related to this lease.

As of September 30, 2022, BICD's receivable for lease payments is \$1,013,473. BICD has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of September 30, 2022, the balance of the deferred inflow of resources is \$985,722.

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

D. Notes Receivable

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

As of December 31, 2021 (the most recently available date), the outstanding note receivable balances were as follows:

Description	Interest Rate	Beginning Balance	Additions	Refunds/ Collections	Ending Balance	Amounts Due within One Year
RMJ Likarish - 331 W. Woodard	4.00%	\$ 88,060	\$ -	\$ (10,798)	\$ 77,262	\$ 11,238
Nitia, Inc	4.00%	50,825	-	(16,139)	34,686	16,796
Steelcore	4.00%	20,652	-	(20,652)	-	-
Parker - Ivahoe Ale House	5.00%	145,761	-	(21,804)	123,957	32,090
Parker - Ivahoe Ale House (add'l loan)	5.00%	23,002	-	(3,454)	19,548	5,082
Gaytan Restaurants	4.00%	74,095	-	(25,985)	48,110	9,166
Voska, LLC	4.00%	89,982	-	(3,050)	86,932	12,509
Bohemian Taco, LLC	4.00%	82,002	7,998	(5,575)	84,425	7,044
Railyard Incubator, LLC	5.00%	373,639	-	(24,779)	348,860	34,363
Likarish Enterprises, Inc.	4.00%	200,000	50,000	(17,264)	232,736	21,455
Split Window Production, LLC	4.00%	-	115,815	(1,675)	114,140	10,296
Silvia Rios	4.00%	-	100,000	(2,044)	97,956	8,384
Total Notes Receivable		<u>\$ 1,148,018</u>	<u>\$ 273,813</u>	<u>\$ (153,219)</u>	<u>\$ 1,268,612</u>	<u>\$ 168,423</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.

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

As of September 30, 2022, the City recorded a note receivable of \$4,850,000 in the government-wide statements, which represents the total principal due for the newly issued Certificates of Obligation. The principal balance less the amount of demolition and bond issuance costs paid through yearend has been reflected as a fully deferred receivable at the governmental fund level. As of September 30, 2022, the balance due from the BICD is \$2,524,962 and is reflected as a deferred inflow in the balance sheet for governmental funds. The difference between the note receivable and deferred inflow represents the net amount due to the BICD for demolition costs and amounts to \$2,325,038 as of yearend.

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

E. Grant Receivable

On November 16, 2015, the City entered into a public/private partnership agreement to develop and build a sports complex and related facilities, with the Texoma Health Foundation (THF). The City agreed to contribute approximately \$8 million to the project. THF is to contribute \$7,935,192 over 10 years starting in 2016. Payments are split equally in the amount of \$793,519. The payments commenced in January of 2016 and terminate in January of 2025. The City received the seventh payment of \$793,519 during the year, leaving a remaining receivable balance of \$2,380,557.

F. 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	\$ 5,139,677	\$ -	\$ -	\$ 5,139,677
Construction in progress	4,415,066	8,182,627	-	12,597,693
Total capital assets not being depreciated	<u>9,554,743</u>	<u>8,182,627</u>	<u>-</u>	<u>17,737,370</u>
Capital assets, being depreciated:				
Buildings and improvements	30,741,547	79,702	-	30,821,249
Infrastructure	33,760,134	436,076	-	34,196,210
Right-to-use assets	1,029,165	387,263	-	1,416,428
Equipment	18,356,630	3,088,904	(531,555)	20,913,979
Total capital assets being depreciated	<u>83,887,476</u>	<u>3,991,945</u>	<u>(531,555)</u>	<u>87,347,866</u>
Less accumulated depreciation				
Buildings and improvements	(6,262,374)	(733,094)	-	(6,995,468)
Infrastructure	(16,789,316)	(400,013)	-	(17,189,329)
Right-to-use assets	-	(205,444)	-	(205,444)
Equipment	(10,012,599)	(1,049,860)	505,934	(10,556,525)
Total accumulated depreciation	<u>(33,064,289)</u>	<u>(2,388,411)</u>	<u>505,934</u>	<u>(34,946,766)</u>
Net capital assets being depreciated	<u>50,823,187</u>	<u>1,603,534</u>	<u>(25,621)</u>	<u>52,401,100</u>
Total Capital Assets	<u><u>\$ 60,377,930</u></u>	<u><u>\$ 9,786,161</u></u>	<u><u>\$ (25,621)</u></u>	<u><u>\$ 70,138,470</u></u>

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

Depreciation was charged to governmental functions as follows:

General government	\$	282,019
Public safety		756,651
Public works		791,382
Community services		558,359
Total Governmental Activities Depreciation Expense		<u><u>\$ 2,388,411</u></u>

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	15,069,228	12,999,031	(10,032,959)	18,035,300
Total capital assets not being depreciated	<u>15,612,947</u>	<u>12,999,031</u>	<u>(10,032,959)</u>	<u>18,579,019</u>
Capital assets, being depreciated:				
Buildings and improvements	26,269,864	-	-	26,269,864
Infrastructure	33,072,903	-	9,771,329	42,844,232
Right-to-use assets	281,812	108,193	-	390,005
Machinery and equipment	16,870,987	725,088	183,793	17,779,868
Total capital assets being depreciated	<u>76,495,566</u>	<u>833,281</u>	<u>9,955,122</u>	<u>87,283,969</u>
Less accumulated depreciation				
Buildings and improvements	(9,134,265)	(549,743)	-	(9,684,008)
Infrastructure	(15,067,281)	(496,273)	-	(15,563,554)
Right-to-use assets	-	(53,922)	-	(53,922)
Machinery and equipment	(8,041,939)	(549,710)	81,222	(8,510,427)
Total accumulated depreciation	<u>(32,243,485)</u>	<u>(1,649,648)</u>	<u>81,222</u>	<u>(33,811,911)</u>
Net capital assets being depreciated	44,252,081	(816,367)	10,036,344	53,472,058
Total Capital Assets	<u><u>\$ 59,865,028</u></u>	<u><u>\$ 12,182,664</u></u>	<u><u>\$ 3,385</u></u>	<u><u>\$ 72,051,077</u></u>

Depreciation was charged to business-type activities as follows:

Water	\$	1,000,476
Sewer		649,172
Total Business-Type Activities Depreciation Expense		<u><u>\$ 1,649,648</u></u>

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

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	\$ 1,699,343	\$ -	\$ -	\$ 1,699,343
Construction in progress	-	2,728,301	-	2,728,301
Total capital assets not being depreciated	<u>1,699,343</u>	<u>2,728,301</u>	<u>-</u>	<u>4,427,644</u>
Capital assets, being depreciated:				
Buildings and improvements	4,488,456	-	-	4,488,456
Infrastructure	186,608	-	-	186,608
Right to use assets	62,172	-	-	62,172
Machinery and equipment	29,741	-	-	29,741
Total capital assets being depreciated	<u>4,766,977</u>	<u>-</u>	<u>-</u>	<u>4,766,977</u>
Less accumulated depreciation				
Buildings and improvements	(1,799,004)	(115,821)	-	(1,914,825)
Infrastructure	(34,211)	(1,866)	-	(36,077)
Right to use assets	-	(15,543)	-	(15,543)
Machinery and equipment	(10,582)	(4,723)	-	(15,305)
Total accumulated depreciation	<u>(1,843,797)</u>	<u>(137,953)</u>	<u>-</u>	<u>(1,981,750)</u>
Net capital assets being depreciated	<u>2,923,180</u>	<u>(137,953)</u>	<u>-</u>	<u>2,785,227</u>
Total Capital Assets	<u>\$ 4,622,523</u>	<u>\$ 2,590,348</u>	<u>\$ -</u>	<u>\$ 7,212,871</u>

City of Denison, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

G. Other Long-term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 2,854,135	\$ 1,781,136	\$ (1,514,868)	\$ 3,120,403	\$ 1,430,084
Total Governmental Activities	<u>\$ 2,854,135</u>	<u>\$ 1,781,136</u>	<u>\$ (1,514,868)</u>	<u>\$ 3,120,403</u>	<u>\$ 1,430,084</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 1,690,319</u>	
Business-Type Activities:					
Compensated Absences	\$ 380,746	\$ 216,181	\$ (202,847)	\$ 394,080	\$ 342,671
Total Business-Type Activities	<u>\$ 380,746</u>	<u>\$ 216,181</u>	<u>\$ (202,847)</u>	<u>\$ 394,080</u>	<u>\$ 342,671</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 51,409</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, 2022. The liability for compensated absences is fully liquidated by the general fund.

	<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	\$ 89,544	\$ 5,056	\$ (23,015)	\$ 71,585	\$ 7,158
Total Component Unit Activities	<u>\$ 89,544</u>	<u>\$ 5,056</u>	<u>\$ (23,015)</u>	<u>\$ 71,585</u>	<u>\$ 7,158</u>
Other Long-Term Liabilities Due in More Than One Year				<u>\$ 64,427</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, 2022.

	<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	\$ 27,696	\$ -	\$ (27,696)	\$ -	\$ -
Total Governmental Activities	<u>\$ 27,696</u>	<u>\$ -</u>	<u>\$ (27,696)</u>	<u>\$ -</u>	<u>\$ -</u>
Long-term Liabilities Due in More than One Year				<u>\$ -</u>	

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

H. Long-term Debt

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

	<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	\$ 1,307,200	\$ -	\$ (311,600)	\$ 995,600	\$ 323,000
Certificates of obligation	31,075,175	4,600,000	(1,881,459)	33,793,716	2,113,695
Less deferred amounts:					
For issuance premiums	2,562,340	-	(160,872)	2,401,468	-
	<u>34,944,715</u>	<u>4,600,000</u>	<u>(2,353,931)</u>	<u>37,190,784</u>	<u>2,436,695</u>
Other liabilities:					
Lease liabilities	4,741,284	3,150,511	(1,494,962)	6,396,833	1,493,467
Notes payable	880,000	-	(171,000)	709,000	173,000
Total Governmental Activities	<u>\$ 40,565,999</u>	<u>\$ 7,750,511</u>	<u>\$ (4,019,893)</u>	<u>\$ 44,296,617</u>	<u>\$ 4,103,162</u>
Long-term liabilities due in more than one year				<u>\$ 40,193,455</u>	
Business-Type Activities:					
Bonds, notes and other payables:					
General obligation bonds	\$ 6,312,800	\$ -	\$ (823,400)	\$ 5,489,400	\$ 817,000
Certificates of obligation	42,284,830	22,165,000	(1,823,541)	62,626,289	2,436,306
Less deferred amounts:					
For issuance discount	(10,426)	-	1,304	(9,122)	-
For issuance premiums	4,314,297	2,438,135	(359,103)	6,393,329	-
	<u>52,901,501</u>	<u>24,603,135</u>	<u>(3,004,740)</u>	<u>74,499,896</u>	<u>3,253,306</u>
Other liabilities:					
Lease liabilities	488,818	319,941	(183,563)	625,196	200,968
Total Business-Type Activities	<u>\$ 53,390,319</u>	<u>\$ 24,923,076</u>	<u>\$ (3,188,303)</u>	<u>\$ 75,125,092</u>	<u>\$ 3,454,274</u>
Long-term liabilities due in more than one year				<u>\$ 71,670,818</u>	

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

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

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%	\$ 995,600	\$ 314,400	\$ 1,310,000
\$3,060,000 General Obligation Refunding Bonds, Series 2019, due in installments through 2028, interest at 3% to 5%	-	1,985,000	1,985,000
\$4,045,000 General Obligation Refunding Bonds, Series 2020, due in installments through 2029, interest at 1.81%	-	3,190,000	3,190,000
Total General Obligation Bonds	\$ 995,600	\$ 5,489,400	\$ 6,485,000
Certificates of Obligation:			
\$6,665,000 Comb Tax and Revenue Certificates of Obligation, Series 2012, due in annual installments through 2028, interest at 3%	\$ -	\$ 2,760,000	\$ 2,760,000
\$6,335,000 Comb Tax and Revenue Certificates of Obligation, Series 2015, due in annual installments through 2035, interest at 3-4%	-	4,760,000	4,760,000
\$2,240,000 Comb Tax and Rev. Certificates of Obligation, Series 2013, due in annual installments through 2033, interest at 2.75%	1,395,000	-	1,395,000
\$2,240,000 Comb Tax and Rev. Certificates of Obligation, Series 2016, due in annual installments through 2026, interest at 1.89%	3,170,000	-	3,170,000
\$2,240,000 Comb Tax and Rev. Certificates of Obligation, Series 2016, due in annual installments through 2036, interest at 3-5%	-	1,365,000	1,365,000
\$2,855,000 Combination Tax & Limited Surplus Revenue Certificates of Obligation, Series 2017, through 2027, int. at 2.16%	1,510,000	-	1,510,000
\$2,240,000 Comb Tax and Rev. Certificates of Obligation, Series 2017, through 2037, interest at 3%	2,381,296	-	2,381,296
\$1,000,000 Comb Tax & Limited Surplus Rev. Certificates of Obligation, Series 2018A, due through 2028, interest at 2.89%	640,000	-	640,000
\$3,925,000 Combination Tax & Revenue Cerificates of Obligation, Series 2017, through 2037, interest at 3%	-	3,173,708	3,173,708
Subtotal	\$ 9,096,296	\$ 12,058,708	\$ 21,155,004

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

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Certificates of Obligation (Continued):			
\$7,255,000 Comb Tax & Limited Surplus Rev. Certificates of Obligation, Series 2018, due through 2038, int. at 3.12% to 5.54%	-	6,240,000	6,240,000
\$5,255,000 Comb Tax & Limited Surplus Rev. Cert. of Obligation, Series 2019, due through 2039, interest at 3% to 4%	-	4,795,000	4,795,000
\$2,450,000 Comb Tax & Limited Surplus Revenue Certificates of Obligation, Series 2020A, due through 2030, interest at 1.86%	1,995,000	-	1,995,000
\$6,300,000 Comb Tax and Rev. Cert. of Obligation, Series 2020B, due in annual installments through 2040, interest at 3% to 5%	5,869,126	3,665,875	9,535,001
\$11,800,000 Comb. Tax & Rev. Cert. of Obligation, Series 2021B, due in annual installments through 2040, interest at 3% to 4.879%	-	10,075,000	10,075,000
\$15,940,000 Comb. Tax & Rev. Cert. of Obligation, Series 2021A, due in annual installments through 2040, interest at 2% to 5.372%	12,233,294	3,626,706	15,860,000
\$4,600,000 Comb Tax & Limited Surplus Rev. Cert. of Obligation, Series 2022B, due through 2042, interest at 2.84% to 4.86%	4,600,000	-	4,600,000
\$22,165,000 Comb Tax & Limited Surplus Rev. Cert. of Obligation, Series 2022B, due through 2042, interest at 3.5% to 5.0%	-	22,165,000	22,165,000
Total Certificates of Obligation	<u>\$ 33,793,716</u>	<u>\$ 62,626,289</u>	<u>\$ 96,420,005</u>
Less deferred amounts:			
Discounts and premiums	\$ 2,401,468	\$ 6,384,207	\$ 8,785,675
Notes Payable:			
\$1,550,000 Section 108 HUD loan, due in annual installments through 2026, interest is variable	709,000	-	709,000
Total Notes Payable	<u>\$ 709,000</u>	<u>\$ -</u>	<u>\$ 709,000</u>
Lease liabilities	6,396,833	625,196	7,022,029
Total Debt	<u>\$ 44,296,617</u>	<u>\$ 75,125,092</u>	<u>\$ 119,421,709</u>

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

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
2023	\$ 323,000	\$ 33,231	\$ 817,000	\$ 148,696	\$ 1,140,000	\$ 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>\$ 995,600</u>	<u>\$ 68,742</u>	<u>\$ 5,489,400</u>	<u>\$ 548,926</u>	<u>\$ 6,485,000</u>	<u>\$ 617,668</u>

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

Combination Tax & Revenue Certificates of Obligation

Year ending September 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 2,113,695	\$ 1,047,122	\$ 2,436,306	\$ 2,605,984	\$ 4,550,001	\$ 3,653,106
2024	2,261,351	944,307	2,853,649	2,198,324	5,115,000	3,142,631
2025	2,577,123	882,439	3,037,877	2,080,592	5,615,000	2,963,031
2026	2,647,992	815,499	3,152,009	1,965,791	5,800,001	2,781,290
2027	1,889,650	750,246	3,270,349	1,845,607	5,159,999	2,595,853
2028 - 2032	8,104,071	2,845,753	16,420,929	7,177,386	24,525,000	10,023,139
2033 - 2037	7,993,054	1,499,095	18,221,950	3,865,196	26,215,004	5,364,291
2038 - 2042	6,206,780	396,064	13,233,220	1,043,399	19,440,000	1,439,463
	<u>\$ 33,793,716</u>	<u>\$ 9,180,525</u>	<u>\$ 62,626,289</u>	<u>\$ 22,782,279</u>	<u>\$ 96,420,005</u>	<u>\$ 31,962,804</u>

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

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

Lease Liabilities

Year ending September 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,493,467	\$ 160,025	\$ 200,968	\$ 18,096	\$ 1,694,435	\$ 178,121
2024	1,372,316	123,651	160,443	11,479	1,532,759	135,130
2025	1,054,361	87,539	114,269	6,884	1,168,630	94,423
2026	948,976	60,852	101,531	3,846	1,050,507	64,698
2027	590,886	38,241	47,985	1,268	638,871	39,509
2028	513,446	23,410	-	-	513,446	23,410
2029	416,850	10,443	-	-	416,850	10,443
2030	6,531	122	-	-	6,531	122
	<u>\$ 6,396,833</u>	<u>\$ 504,283</u>	<u>\$ 625,196</u>	<u>\$ 41,573</u>	<u>\$ 7,022,029</u>	<u>\$ 545,856</u>

The City entered into leases to finance the use of vehicles and office equipment. The property is classified as right to use asset with a total carrying value as of yearend for governmental activities and business-type activities of \$1,210,984 and \$336,084, respectively.

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	
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>\$ 709,000</u>	<u>\$ 49,423</u>	<u>\$ 758,423</u>

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

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, 2022.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Component Unit Activities					
Notes payable	\$ 301,000	\$ 4,850,000	\$ (72,000)	\$ 5,079,000	\$ 239,000
Lease liabilities	62,172	-	(15,279)	46,893	15,418
Total Component Unit Activities	<u>\$ 363,172</u>	<u>\$ 4,850,000</u>	<u>\$ (87,279)</u>	<u>\$ 5,125,893</u>	<u>\$ 254,418</u>
Long-term liabilities due in more than one year				<u>\$ 4,871,475</u>	

Notes Payable

Year ending September 30,	Component Unit Activities		Total
	Principal	Interest	
2023	\$ 239,000	\$ 401,054	\$ 640,054
2024	331,000	307,303	638,303
2025	344,000	296,371	640,371
2026	170,000	183,265	353,265
2027	180,000	177,155	357,155
Thereafter	3,815,000	1,506,545	5,321,545
	<u>\$ 5,079,000</u>	<u>\$ 2,871,693</u>	<u>\$ 7,950,693</u>

Lease Liabilities

Year ending September 30,	Component Unit Activities		Total
	Principal	Interest	
2023	\$ 15,418	\$ 543	\$ 15,961
2024	15,630	332	15,962
2025	15,845	117	15,962
	<u>\$ 46,893</u>	<u>\$ 992</u>	<u>\$ 47,885</u>

In 2019, the BICD entered into a six-year lease agreement as lessee for the use of office space. An initial lease liability of \$62,172 was recorded. As of yearend, the value of the lease liability was \$46,893. BICD is required to make principal and interest payments of \$1,330. The interest rate was determined to be 1.364%. The property is classified as a right-to-use asset with a total carrying value of \$46,629.

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

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 \$27,696 toward the post-closure costs. These costs have been paid in full as of year end.

I. 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 \$28,044. Current year amortization for business-type activities was \$4,674.

J. Interfund Transactions

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

Transfer Out:	Transfer In:				Total
	General	General Bond	Nonmajor Govt	Utility	
Utility fund	\$ 2,185,278	\$ -	\$ 205,000	\$ -	\$ 2,390,278
General	-	-	1,199,986	-	1,199,986
Nonmajor govt.	1,209,793	619,942	7,747	407,289	2,244,771
Total	\$ 3,395,071	\$ 619,942	\$ 1,412,733	\$ 407,289	\$ 5,835,035

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	\$ 18,149
Enterprise Fund	66,213
Total	\$ 84,362

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

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 in full during the current year.

K. Restricted Fund Balance

The City records restricted fund balance on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted fund balance for the governmental funds was \$21,865,003. Of which, \$78,307 is restricted by enabling legislation.

V. OTHER INFORMATION

A. Risk Management

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

B. Contingent Liabilities

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

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

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

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

D. Defined Benefit Pension Plans

Texas Municipal Retirement System

1. Plan Description

The City of Denison, Texas participates as one of 920 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.tmrs.com.

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, 2022

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

Plan provisions for the City were as follows:

	<u>Plan Year 2021</u>	<u>Plan Year 2020</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	30% of CPI	30% of CPI

Employees covered by benefit terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	196
Inactive employees entitled to but not yet receiving benefits	173
Active employees	<u>238</u>
Total	<u>607</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 11.64% and 11.34% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$1,531,841, and were equal to the required contributions.

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

4. Net Pension Liability

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

Actuarial assumptions

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

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

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

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

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, 2022

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 Public Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public/Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the 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, 2022

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 12/31/20	\$ 71,374,827	\$ 69,280,478	\$ 2,094,349
Changes for the year:			
Service cost	1,933,217	-	1,933,217
Interest	4,740,786	-	4,740,786
Difference between expected and actual experience	(98,600)	-	(98,600)
Changes of assumptions	-	-	-
Contributions – employer	-	1,484,339	(1,484,339)
Contributions – employee	-	892,646	(892,646)
Net investment income	-	9,023,310	(9,023,310)
Benefit payments, including refunds of emp. contributions	(4,215,132)	(4,215,132)	-
Administrative expense	-	(41,789)	41,789
Other changes	-	286	(286)
Net changes	2,360,271	7,143,660	(4,783,389)
Balance at 12/31/21	\$ 73,735,098	\$ 76,424,138	\$ (2,689,040)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 6,685,787	\$ (2,689,040)	\$ (10,422,866)

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, 2022

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

For the year ended September 30, 2022, the City recognized pension income for this plan of \$467,923.

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	\$ -	\$ (152,065)
Changes in actuarial assumptions	50,545	-
Difference between projected and investment earnings	-	(4,641,544)
Contributions subsequent to the measurement date	1,116,094	-
Total	\$ 1,166,639	\$ (4,793,609)

The City reported \$1,116,094 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2022	\$ (845,294)
2023	(2,039,521)
2024	(988,873)
2025	(869,376)
2026	-
Thereafter	-
	\$ (4,743,064)

Denison Firemen’s Relief and Retirement Fund

6. Plan Description

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

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

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

7. Benefits Provided

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

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

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

Service Retirement Benefits

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

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

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

City of Denison, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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Disability Benefits

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

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

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

Governmental Accounting Standards

In June 2012, the GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which amended GASB Statement No. 27 effective for fiscal years beginning after June 15, 2014. GASB 68 says that the total pension liability should be determined by (a) an actuarial valuation as of the measurement date or (b) the use of update procedures to roll forward to the measurement date from an actuarial valuation as of a date no more than 30 months and one day earlier than the employer's most recent fiscal year-end. For this report, the December 31, 2021 actuarial valuation is as of the measurement date.

City of Denison, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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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	55
Inactive employees entitled to but not yet receiving benefits	8
Active employees	<u>50</u>
Total	<u>113</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, 2022, were \$655,168, and were equal to the required contributions.

9. Net Pension Liability

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

Total pension liability	\$	26,725,580
Plan fiduciary net position		<u>24,957,398</u>
City's net pension liability	\$	<u>1,768,182</u>
Plan fiduciary net position as a percentage of the total pension liability		93.40%

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

Actuarial Assumptions

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

Actuarial cost method	Entry Age Normal Actuarial cost method
Amortization method	Open period, level percentage of pay
Asset valuation method	The fair value of assets plus 20% of the unrecognized gains & losses from each of the past four years. The resulting value is further limited to be no less than 80% and no greater than 110% of the fair value of assets.
Discount rate	7.50% per annum, compounded annually
Compensation increases	2.75% general annual compensation increase plus 1.89% per year for pay increases due to promotion and longevity over a 30-year career
Increases in total payroll	2.50% aggregate payroll growth
Marital status	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	<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, 2022

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
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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, 2022 (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	0.7%	0.00%
Fixed income securities	2.2%	1.45%
Closed-end mutual funds	10.9%	1.45%
Equities	83.5%	5.95%
Real Estate	<u>2.7%</u>	<u>3.45%</u>
Total	100.0%	5.25%

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 9/30/2021	\$ 25,787,791	\$ 21,080,017	\$ 4,707,774
Changes for the year:			
Service cost	497,868	-	497,868
Interest	1,907,746	-	1,907,746
Change in benefit provisions	203,053	-	203,053
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions – employer	-	655,168	(655,168)
Contributions – employee	-	482,276	(482,276)
Net investment income	-	4,492,329	(4,492,329)
Benefit payments, including refunds of emp. contributions	(1,698,097)	(1,698,097)	-
Administrative expense	-	(54,295)	54,295
Other changes	27,219	-	27,219
Net changes	<u>937,789</u>	<u>3,877,381</u>	<u>(2,939,592)</u>
Balance at 9/30/2022	<u>\$ 26,725,580</u>	<u>\$ 24,957,398</u>	<u>\$ 1,768,182</u>

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

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:

1% Decrease 6.50%	Current Single Rate Assumption 7.50%	1% Increase 8.50%
\$ 5,073,309	\$ 1,768,182	\$ (969,582)

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, 2022, the City recognized pension income for this plan of \$783,115.

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between projected and investment earnings	\$ -	\$ (3,274,473)
Changes in actuarial assumptions	201,181	-
Differences between expected and actual economic experience	-	(259,062)
Contributions subsequent to the measurement date	539,001	-
Total	\$ 740,182	\$ (3,533,535)

The City reported \$539,001 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, 2023.

City of Denison, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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 September 30:	
2023	\$ (922,051)
2024	(1,280,450)
2025	(612,499)
2026	(546,691)
2027	29,337
Thereafter	-
	<u>\$ (3,332,354)</u>

E. Deferred Compensation Plan

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

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

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

The City's deferred compensation plan is administered by a private corporation under contract with the City. Participant contributions totaled \$32,616 for the year ended September 30, 2022.

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

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 \$936,197.

Guarantee

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

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

Greater Texoma Utility Authority

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

During the year ended September 30, 2022, the City paid \$290,907 to the Authority in accordance with these contracts. Future payments under these contracts average approximately \$290,120 per year for the next 9 years.

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

A summary of the remaining debt service as of September 30, 2022 is as follows:

Year Ending September 30,	Principal	Interest	Total
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	\$ 2,093,040	\$ 227,921	\$ 2,320,961

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

Construction Commitments

The City has active construction projects as of September 30, 2022. At year end, the City's commitments with contractors are as follows:

Governmental Funds

<u>Project</u>	Project Budget Appropriation	Construction in Progress (Spent to Date)	Remaining Commitment
Garver	\$ 246,846	\$ 162,042	\$ 84,804
Toole Design Group	1,075,770	1,142,685	(66,915)
Piazza Construction	12,473,733	10,282,865	2,190,868
Total Construction in Progress	<u>\$ 13,796,349</u>	<u>\$ 11,587,592</u>	<u>\$ 2,208,757</u>

Proprietary Funds

<u>Project</u>	Project Budget Appropriation	Construction in Progress (Spent to Date)	Remaining Commitment
Teague Nall and Perkins	\$ 4,953,731	\$ 4,784,577	\$ 169,154
Lynn Vessels Construction, LLC	3,686,372	3,615,148	71,224
Huitt-Zollars	453,000	402,500	50,500
Alan Plummer	739,900	709,993	29,907
Teague Nall and Perkins	2,454,149	2,709,399	(255,250)
Plummer	264,282	233,150	31,132
Piazza Construction	4,037,957	3,967,920	70,037
Teague Nall and Perkins	201,617	199,461	2,156
Plummer	1,561,425	511,690	1,049,735
Aegion/Insituform	493,648	492,188	1,460
Alan Plummer	256,000	85,452	170,548
Archer Western Construction	2,892,826	1,552,393	1,340,433
Archer Western Construction	6,369,000	417,689	5,951,311
Alan Plummer	829,958	775,889	54,069
Total Construction in Progress	<u>\$ 29,193,865</u>	<u>\$ 20,457,449</u>	<u>\$ 8,736,416</u>

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

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	1,904,940,000
Gallons Billed	1,793,493,508
Other gallons processed *	3,921,774

*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, 2022

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, 2022:

<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>
Hotel receives hotel tax abatements for constructing and operating a hotel and conference center facility within the City.	Hotel Tax	60%	194,534
Developer receives ad valorem tax rebate for constructing single family structures within the City.	Property Tax	100%	10,531
Property owner/developer receives rebate of ten times the amount of increased city property taxes assessed and paid.	Property Tax	100%	66,309
Developer receives ad valorem rebate for constructing multi family structures within the City.	Property Tax	100%	78,628
Entertainment venue receives ad valorem tax rebate for constructing and operating facility within the City.	Property Tax	100%	61,916
Entertainment venue receives sales tax rebate for constructing and operating facility within the City.	Sales Tax	100%	35,280
	Total		\$ 447,198

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

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. The City has chosen to disclose information about its tax abatement agreements

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

individually. It established a quantitative threshold of 100% percent of the total dollar amount of taxes abated during the year.

I. Related Party Transactions

Janet Gott is the City Mayor. Mrs. Gott is related to the owner of a landscaping company that was contracted to perform landscaping services for the City. The services provided totaled \$325,002 during the fiscal year ending September 30, 2022.

J. Restatement

Due to the implementation of GASB Statement No. 87, *Leases*, the City restated beginning capital assets and long-term liabilities for governmental and business-type activities. The BICD also restated beginning capital assets and long-term liabilities due to the implementation of GASB Statement 87. In addition, the City restated beginning net position/fund balance for governmental activities, business-type activities, the general fund, and the utility fund in order to correct sales tax revenues and capital asset balances in the prior year. The tables below summarize the changes to net position/fund balances as a result of these corrections.

	Governmental Activities	General
Prior year ending net position/ fund balance, as reported	\$ 47,591,815	\$ 9,875,904
Adoption of GASB 87 (lessee) - right-to-use assets	1,029,165	-
Adoption of GASB 87 (lessee) - lease liabilities	(1,029,165)	-
To correct sales tax revenues	(248,730)	(248,730)
To correct capital assets	61,900	-
Restated beginning net position/fund balance	\$ 47,404,985	\$ 9,627,174

	Business-type Activities	Utility Fund
Prior year ending net position as reported	\$ 27,471,674	\$ 27,471,674
To correct capital assets	48,590	48,590
Adoption of GASB 87 (lessee) - right-to-use assets	281,812	281,812
Adoption of GASB 87 (lessee) - lease liabilities	(281,812)	(281,812)
Restated beginning net position/fund balance	\$ 27,520,264	\$ 27,520,264

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

	Component Unit Activities	BICD
Prior year ending net position/ fund balance, as reported	\$ 11,570,527	\$ 9,078,355
Adoption of GASB 87 (lessee) - right-to-use assets	62,172	62,172
Adoption of GASB 87 (lessee) - lease liabilities	(62,172)	(62,172)
Restated beginning net position/fund balance	\$ 11,570,527	\$ 9,078,355

K. New Accounting Pronouncements

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

L. Subsequent Events

There were no material events through April 13, 2023, 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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 11,066,133	\$ 11,066,133	\$ 10,319,801	\$ (746,332)
Sales tax	6,681,000	6,681,000	7,924,179	1,243,179
Franchise and local taxes	2,005,000	2,005,000	2,419,078	414,078
License and permits	737,100	737,100	1,200,857	463,757
Intergovernmental	703,543	703,543	525,702	(177,841)
Charges for services	7,523,462	7,523,462	7,758,496	235,034
Fines and forfeitures	415,000	415,000	375,158	(39,842)
Investment income	40,300	40,300	39,117	(1,183)
Contributions and donations	-	-	164,117	164,117
Other revenue	325,000	325,000	315,389	(9,611)
Total Revenues	29,496,538	29,496,538	31,041,894	1,545,356
Expenditures				
Current:				
General government				
City manager and admin.	4,526,672	6,707,916	4,693,862	2,014,054
Finance	685,382	685,382	620,543	64,839
Human resources	369,756	383,453	383,025	428
Information technology	1,214,652	1,214,652	1,177,794	36,858
Main street	265,007	285,177	286,964	(1,787)
Community engagement	222,024	222,024	171,839	50,185
Total	7,283,493	9,498,604	7,334,027	2,164,577
Public safety				
Fire	5,615,401	6,360,916	6,390,562	(29,646)
Police	5,800,653	5,800,653	5,289,093	511,560
Dispatch	1,033,681	1,217,966	1,062,321	155,645
Total	12,449,735	13,379,535	12,741,976	637,559
Community services				
Municipal court	246,439	246,439	238,990	7,449
City marshal	125,104	125,104	122,891	2,213
Animal control	316,659	316,659	312,642	4,017
Cemetery	361,447	380,476	366,917	13,559
Code enforcement	421,416	421,416	425,065	(3,649)
Building inspections	480,313	480,313	440,656	39,657
Marketing and tourism	398,058	421,513	413,587	7,926
Emergency operations	-	-	2,592	(2,592)
Parks and recreation	3,077,972	3,146,311	3,045,400	100,911
Library	842,124	842,124	813,784	28,340
Total	6,269,532	6,380,355	6,182,524	197,831

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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Public works				
Demolition/mowing	83,392	83,392	66,508	16,884
Garage	1,507,414	1,923,322	1,878,322	45,000
Streets	1,201,219	1,201,219	1,009,477	191,742
Solid waste	2,475,367	2,475,367	2,414,008	61,359
Planning	590,862	741,620	740,462	1,158
Building maintenance	191,879	208,624	211,611	(2,987)
Total	<u>6,050,133</u>	<u>6,633,544</u>	<u>6,320,388</u>	<u>313,156</u>
Capital outlay	30,000	30,000	420,202	(390,202) *
Debt Service:				
Principal	908,337	1,395,838	1,494,962	(99,124) *
Interest and fiscal charges	84,631	136,549	152,846	(16,297) *
Total Expenditures	<u>33,075,861</u>	<u>37,454,425</u>	<u>34,646,925</u>	<u>2,807,500</u>
Revenues Over (Under)				
Expenditures	<u>(3,579,323)</u>	<u>(7,957,887)</u>	<u>(3,605,031)</u>	<u>4,352,856</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	3,446,285	3,446,285	3,395,071	(51,214)
Transfers (out)	(1,178,543)	(1,178,543)	(1,199,986)	(21,443) *
Proceeds from sale of assets	-	-	167,621	167,621
Lease liabilities	1,220,000	1,353,885	3,150,511	1,796,626
Total Other Financing Sources				
(Uses)	<u>3,487,742</u>	<u>3,621,627</u>	<u>5,513,217</u>	<u>1,891,590</u>
Net Change in Fund Balance	<u>\$ (91,581)</u>	<u>\$ (4,336,260)</u>	1,908,186	<u>\$ 6,244,446</u>
Beginning fund balance			9,627,174	
Ending Fund Balance			<u>\$ 11,535,360</u>	

Notes to Required Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control. The division level is the legal level of control for the General Fund.

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

City of Denison, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

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

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

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018

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

Other Information:

Notes There were no benefit changes during the year.

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

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 payroll	\$ 3,247,920	\$ 3,287,080	\$ 3,334,547	\$ 3,344,313
Fund's net position as a percentage of covered 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>	<u>12/31/2021</u> ¹
\$	487,429	\$ 504,489	\$ 484,543	\$ 497,868
	1,679,321	1,713,480	1,857,246	1,907,746
	-	-	1,227,295	-
	-	(693,239)	-	203,053
	-	966,083	-	27,219
	(1,559,639)	(1,897,085)	(1,665,468)	(1,698,097)
	<u>607,111</u>	<u>593,728</u>	<u>1,903,616</u>	<u>937,789</u>
	<u>22,683,336</u>	<u>23,290,447</u>	<u>23,884,175</u>	<u>25,787,791</u>
	<u>23,290,447</u>	<u>23,884,175</u>	<u>25,787,791</u>	<u>26,725,580</u>
\$	504,819	\$ 529,465	\$ 674,130	\$ 655,168
	404,045	423,572	496,234	482,276
	(461,618)	4,623,990	1,367,729	4,492,329
	(1,559,639)	(1,897,085)	(1,665,468)	(1,698,097)
	(24,075)	(43,403)	(17,749)	(54,295)
	-	-	-	-
	<u>(1,136,468)</u>	<u>3,636,539</u>	<u>854,876</u>	<u>3,877,381</u>
	<u>17,725,070</u>	<u>16,588,602</u>	<u>20,225,141</u>	<u>21,080,017</u>
\$	<u>16,588,602</u>	<u>\$ 20,225,141</u>	<u>\$ 21,080,017</u>	<u>\$ 24,957,398</u>
\$	<u>6,701,845</u>	<u>\$ 3,659,034</u>	<u>\$ 4,707,774</u>	<u>\$ 1,768,182</u>
	71.22%	84.68%	81.74%	93.38%
\$	3,365,460	\$ 3,529,767	\$ 3,745,167	\$ 3,639,819
	199.14%	103.66%	125.70%	48.58%

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

Other Information:

Notes There were no benefit changes during the year.

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



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

City of Denison, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

	Tax Increment Reinvestment Zone	General Interest & Sinking	Street Improvements	Cemetery Pre-pay O&C
<u>Assets</u>				
Cash and cash equivalents	\$ 718,154	\$ -	\$ 5,537,835	\$ -
Restricted assets - cash	-	986,458	1,526,336	140,835
Receivables, net	-	2,609,570	-	1,293
Interest in net position of recipient organization	-	-	-	-
Total Assets	\$ 718,154	\$ 3,596,028	\$ 7,064,171	\$ 142,128
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 23,807	\$ 131,109
Due to other funds	66,213	-	-	-
Total Liabilities	66,213	-	23,807	131,109
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - Property taxes	-	84,608	-	-
Intergovernmental receivable	-	2,524,962	-	-
Total Deferred Inflows of Resources	-	2,609,570	-	-
<u>Fund Balances</u>				
Restricted for:				
Debt service	-	986,458	-	-
Capital projects	-	-	7,040,364	-
Municipal court	-	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Federal relief grants	-	-	-	-
Committed to:				
Parks	-	-	-	-
General government	-	-	-	11,019
Capital projects	651,941	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total (Deficit) Fund Balances	651,941	986,458	7,040,364	11,019
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 718,154	\$ 3,596,028	\$ 7,064,171	\$ 142,128

<u>Special Events</u>	<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>
\$ 30,546	\$ 647,137	\$ 819,942	\$ -	\$ -	\$ -
-	-	-	-	238,934	-
-	84,148	-	-	-	-
-	-	-	-	-	202,445
<u>\$ 30,546</u>	<u>\$ 731,285</u>	<u>\$ 819,942</u>	<u>\$ -</u>	<u>\$ 238,934</u>	<u>\$ 202,445</u>
\$ 41,615	\$ 1,155	\$ 21,412	\$ 19,654	\$ 363	\$ -
-	-	-	18,149	-	-
<u>41,615</u>	<u>1,155</u>	<u>21,412</u>	<u>37,803</u>	<u>363</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	798,530	-	238,571	-
-	-	-	-	-	-
-	730,130	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	202,445
<u>(11,069)</u>	<u>-</u>	<u>-</u>	<u>(37,803)</u>	<u>-</u>	<u>-</u>
<u>(11,069)</u>	<u>730,130</u>	<u>798,530</u>	<u>(37,803)</u>	<u>238,571</u>	<u>202,445</u>
<u>\$ 30,546</u>	<u>\$ 731,285</u>	<u>\$ 819,942</u>	<u>\$ -</u>	<u>\$ 238,934</u>	<u>\$ 202,445</u>

City of Denison, Texas
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

	<u>Project Participation</u>	<u>Federal Foreitures</u>	<u>Fire Equipment</u>	<u>Fire Training</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted assets - cash	2,684,313	54,703	1,751	6,991
Receivables, net	-	-	-	-
Interest in net position of recipient organization	-	-	-	-
Total Assets	\$ 2,684,313	\$ 54,703	\$ 1,751	\$ 6,991
Liabilities				
Accounts payable and accrued liabilities	\$ 359,275	\$ -	\$ 3,742	\$ -
Due to other funds	-	-	-	-
Total Liabilities	359,275	-	3,742	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - Property taxes	-	-	-	-
Intergovernmental receivable	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for:				
Debt service	-	-	-	-
Capital projects	2,325,038	-	-	-
Municipal court	-	-	-	-
Public safety	-	54,703	-	6,991
Community services	-	-	-	-
Federal relief grants	-	-	-	-
Committed to:				
Parks	-	-	-	-
General government	-	-	-	-
Capital projects	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	(1,991)	-
Total Fund Balances	2,325,038	54,703	(1,991)	6,991
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,684,313	\$ 54,703	\$ 1,751	\$ 6,991

<u>Canine</u>	<u>Homeland Security Grant</u>	<u>Police Equipment</u>	<u>THF Park</u>	<u>Vehicle Seizures</u>	<u>Park Dedication</u>
\$ 2,668	\$ -	\$ -	\$ 65	\$ -	\$ 55,731
-	2,029	1,003	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,668</u>	<u>\$ 2,029</u>	<u>\$ 1,003</u>	<u>\$ 65</u>	<u>\$ -</u>	<u>\$ 55,731</u>
\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	2	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,668	2,029	1,001	-	-	-
-	-	-	-	-	55,731
-	-	-	-	-	-
-	-	-	65	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,668</u>	<u>2,029</u>	<u>1,001</u>	<u>65</u>	<u>-</u>	<u>55,731</u>
<u>\$ 2,668</u>	<u>\$ 2,029</u>	<u>\$ 1,003</u>	<u>\$ 65</u>	<u>\$ -</u>	<u>\$ 55,731</u>

City of Denison, Texas
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

	Law Enforcement Forfeitures	Police Training	Municipal Court Security	Municipal Court Technology
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ 22,529	\$ 30,242
Restricted assets - cash	39,602	-	-	-
Receivables, net	-	-	-	-
Interest in net position of recipient organization	-	-	-	-
Total Assets	\$ 39,602	\$ -	\$ 22,529	\$ 30,242
Liabilities				
Accounts payable and accrued liabilities	\$ 1,300	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	1,300	-	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - Property taxes	-	-	-	-
Intergovernmental receivable	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for:				
Debt service	-	-	-	-
Capital improvements	-	-	-	-
Municipal court	-	-	22,529	30,242
Public safety	38,302	-	-	-
Community services	-	-	-	-
Federal relief grants	-	-	-	-
Committed to:				
Parks	-	-	-	-
General government	-	-	-	-
Capital projects	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	38,302	-	22,529	30,242
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 39,602	\$ -	\$ 22,529	\$ 30,242

Truancy & Prevention Diversion	Municipal Jury	Improvement Fund	Hotel Occupancy Tax	Federal Relief	Total
\$ 25,036	\$ 500	\$ 4,236	\$ 25,000	\$ 4,238,751	\$ 12,158,372
-	-	-	-	-	5,682,955
-	-	-	-	-	2,695,011
-	-	-	-	-	202,445
<u>\$ 25,036</u>	<u>\$ 500</u>	<u>\$ 4,236</u>	<u>\$ 25,000</u>	<u>\$ 4,238,751</u>	<u>\$ 20,738,783</u>
\$ -	\$ -	\$ -	\$ -	\$ 103,628	\$ 707,062
-	-	-	-	-	84,362
-	-	-	-	103,628	791,424
-	-	-	-	-	84,608
-	-	-	-	-	2,524,962
-	-	-	-	-	2,609,570
-	-	-	-	-	986,458
-	-	-	-	-	9,365,402
25,036	500	-	-	-	78,307
-	-	-	-	-	105,694
-	-	-	25,000	-	1,117,832
-	-	-	-	4,135,123	4,135,123
-	-	-	-	-	730,195
-	-	-	-	-	11,019
-	-	4,236	-	-	656,177
-	-	-	-	-	202,445
-	-	-	-	-	(50,863)
<u>25,036</u>	<u>500</u>	<u>4,236</u>	<u>25,000</u>	<u>4,135,123</u>	<u>17,337,789</u>
<u>\$ 25,036</u>	<u>\$ 500</u>	<u>\$ 4,236</u>	<u>\$ 25,000</u>	<u>\$ 4,238,751</u>	<u>\$ 20,738,783</u>

City of Denison, Texas

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

For the Year Ended September 30, 2022

	Tax Increment Reinvestment Zone	General Interest & Sinking	Street Improvements	Cemetery Pre-pay O&C
Revenues				
Property tax	\$ 1,061,061	\$ 1,897,749	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	18,885
Fines and forfeitures	-	-	-	-
Investment income	4,332	5,129	39,778	582
Contributions and donations	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	1,065,393	1,902,878	39,778	19,467
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	-	-	7,000	-
Capital outlay	421,771	-	732,559	-
Debt Service:				
Principal	156,706	1,281,353	-	-
Interest and fiscal charges	536,073	456,809	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	1,114,550	1,738,162	739,559	-
Revenues Over (Under) Expenditures	(49,157)	164,716	(699,781)	19,467
Other Financing Sources (Uses)				
Transfers in	-	-	882,970	-
Transfers (out)	(32,087)	(587,855)	-	(18,885)
Bond issuance	-	-	-	-
Total Other Financing Sources (Uses)	(32,087)	(587,855)	882,970	(18,885)
Net Change in Fund Balances	(81,244)	(423,139)	183,189	582
Beginning fund balances	733,185	1,409,597	6,857,175	10,437
Ending (Deficit) Fund Balances	\$ 651,941	\$ 986,458	\$ 7,040,364	\$ 11,019

<u>Special Events</u>	<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	81,605	91,154	-
-	594,058	-	38,476	-	-
-	-	-	-	-	-
7	2,457	3,027	-	1,001	-
-	43	-	-	-	-
309,123	30,370	-	194,661	-	-
<u>309,130</u>	<u>626,928</u>	<u>3,027</u>	<u>314,742</u>	<u>92,155</u>	<u>-</u>
296,746	-	-	149,463	71,228	-
-	-	-	-	-	-
-	170,627	-	-	-	-
31,008	-	91,567	-	-	-
-	-	-	-	-	-
-	-	-	171,000	-	-
-	-	-	23,661	-	67,270
-	-	-	-	-	-
<u>327,754</u>	<u>170,627</u>	<u>91,567</u>	<u>344,124</u>	<u>71,228</u>	<u>67,270</u>
<u>(18,624)</u>	<u>456,301</u>	<u>(88,540)</u>	<u>(29,382)</u>	<u>20,927</u>	<u>(67,270)</u>
-	-	497,016	-	-	-
-	(200,095)	(90,813)	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>(200,095)</u>	<u>406,203</u>	<u>-</u>	<u>-</u>	<u>-</u>
(18,624)	256,206	317,663	(29,382)	20,927	(67,270)
7,555	473,924	480,867	(8,421)	217,644	269,715
<u>\$ (11,069)</u>	<u>\$ 730,130</u>	<u>\$ 798,530</u>	<u>\$ (37,803)</u>	<u>\$ 238,571</u>	<u>\$ 202,445</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, 2022

	<u>Project Participation</u>	<u>Federal Foreitures</u>	<u>Fire Equipment</u>	<u>Fire Training</u>
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	2,500	-
Charges for services	-	-	-	-
Fines and forfeitures	-	31,674	-	-
Investment income	4,915	164	24	26
Contributions and donations	-	-	-	-
Other revenue	1,318	-	-	-
Total Revenues	<u>6,233</u>	<u>31,838</u>	<u>2,524</u>	<u>26</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	35,983	16,505	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	2,181,195	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	100,000	-	-	-
Total Expenditures	<u>2,281,195</u>	<u>35,983</u>	<u>16,505</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(2,274,962)</u>	<u>(4,145)</u>	<u>(13,981)</u>	<u>26</u>
Other Financing Sources (Uses)				
Transfers in	-	-	6,480	-
Transfers (out)	-	-	-	-
Bond issuance	4,600,000	-	-	-
Total Other Financing Sources (Uses)	<u>4,600,000</u>	<u>-</u>	<u>6,480</u>	<u>-</u>
Net Change in Fund Balances	<u>2,325,038</u>	<u>(4,145)</u>	<u>(7,501)</u>	<u>26</u>
Beginning fund balances	-	58,848	5,510	6,965
Ending Fund Balances	<u>\$ 2,325,038</u>	<u>\$ 54,703</u>	<u>\$ (1,991)</u>	<u>\$ 6,991</u>

<u>Canine</u>	<u>Homeland Security Grant</u>	<u>Police Equipment</u>	<u>THF Park</u>	<u>Vehicle Seizures</u>	<u>Park Dedication</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	34,504	4,163	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10	8	7	-	3	162
-	-	-	-	-	-
-	-	-	30	-	7,500
<u>10</u>	<u>34,512</u>	<u>4,170</u>	<u>30</u>	<u>3</u>	<u>7,662</u>
-	-	-	-	-	-
454	28,024	4,660	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>454</u>	<u>28,024</u>	<u>4,660</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(444)</u>	<u>6,488</u>	<u>(490)</u>	<u>30</u>	<u>3</u>	<u>7,662</u>
-	-	-	-	-	-
-	(6,480)	-	-	(1,267)	-
-	-	-	-	-	-
<u>-</u>	<u>(6,480)</u>	<u>-</u>	<u>-</u>	<u>(1,267)</u>	<u>-</u>
(444)	8	(490)	30	(1,264)	7,662
3,112	2,021	1,491	35	1,264	48,069
<u>\$ 2,668</u>	<u>\$ 2,029</u>	<u>\$ 1,001</u>	<u>\$ 65</u>	<u>\$ -</u>	<u>\$ 55,731</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, 2022

	Law Enforcement Forfeitures	Police Training	Municipal Court Security	Municipal Court Technology
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	46,244	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	10,304	8,667
Investment income	152	6	77	100
Contributions and donations	-	-	-	-
Other revenue	-	2,695	-	-
Total Revenues	46,396	2,701	10,381	8,767
Expenditures				
Current:				
General government	-	-	-	-
Public safety	37,183	2,701	-	-
Community services	-	-	4,823	7,133
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	37,183	2,701	4,823	7,133
Revenues Over (Under) Expenditures	9,213	-	5,558	1,634
Other Financing Sources (Uses)				
Transfers in	1,267	-	-	-
Transfers (out)	-	-	-	-
Bond issuance	-	-	-	-
Total Other Financing Sources (Uses)	1,267	-	-	-
Net Change in Fund Balances	10,480	-	5,558	1,634
Beginning fund balances	27,822	-	16,971	28,608
Ending Fund Balances	\$ 38,302	\$ -	\$ 22,529	\$ 30,242

Truancy & Prevention Diversion	Municipal Jury	Improvement Fund	Hotel Occupancy Tax	Federal Relief	Total
\$ -	\$ -	\$ -	-	\$ -	\$ 2,958,810
-	-	-	-	3,663,306	3,923,476
-	-	-	-	-	651,419
10,010	200	-	-	-	60,855
75	2	16	-	13,058	75,118
-	-	-	-	-	43
-	-	-	-	-	545,697
<u>10,085</u>	<u>202</u>	<u>16</u>	<u>-</u>	<u>3,676,364</u>	<u>8,215,418</u>
-	-	-	-	612,509	1,129,946
-	-	-	-	-	125,510
-	-	-	-	158,174	340,757
-	-	-	-	1,133,164	1,262,739
-	-	-	-	-	3,335,525
-	-	-	-	-	1,609,059
-	-	-	-	-	1,083,813
-	-	-	-	-	100,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,903,847</u>	<u>8,987,349</u>
<u>10,085</u>	<u>202</u>	<u>16</u>	<u>-</u>	<u>1,772,517</u>	<u>(771,931)</u>
-	-	-	25,000	-	1,412,733
-	-	-	-	(1,307,289)	(2,244,771)
-	-	-	-	-	4,600,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>(1,307,289)</u>	<u>3,767,962</u>
10,085	202	16	25,000	465,228	2,996,031
14,951	298	4,220	-	3,669,895	14,341,758
<u>\$ 25,036</u>	<u>\$ 500</u>	<u>\$ 4,236</u>	<u>25,000</u>	<u>\$ 4,135,123</u>	<u>\$ 17,337,789</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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 1,063,066	\$ 1,061,061	\$ (2,005)
Investment income	5,370	4,332	(1,038)
Total Revenues	1,068,436	1,065,393	(3,043)
 <u>Expenditures</u>			
Current:			
Capital outlay	-	421,771	(421,771)
Debt Service:			
Principal	613,234	156,706	456,528
Interest and fiscal charges	12,000	536,073	(524,073)
Total Expenditures	625,234	1,114,550	(489,316) *
Revenues Over (Under) Expenditures	443,202	(49,157)	(492,359)
 <u>Other Financing Sources (Uses)</u>			
Transfers (out)	-	(32,087)	(32,087) *
Total Other Financing Sources (Uses)	-	(32,087)	(32,087)
Net Change in Fund Balances	\$ 443,202	(81,244)	\$ (524,446)
Beginning fund balances		733,185	
Ending Fund Balances		\$ 651,941	

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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 1,488,821	\$ 1,897,749	\$ 408,928
Investment income	4,000	5,129	1,129
Total Revenues	1,492,821	1,902,878	410,057
 <u>Expenditures</u>			
Debt Service:			
Principal	1,276,300	1,281,353	(5,053)
Interest and fiscal charges	462,521	456,809	5,712
Total Expenditures	1,738,821	1,738,162	659
 <u>Other Financing Sources (Uses)</u>			
Transfers (out)	(587,855)	(587,855)	-
Total Other Financing Sources (Uses)	(587,855)	(587,855)	-
Net Change in Fund Balances	\$ (833,855)	(423,139)	\$ 410,716
Beginning fund balances		1,409,597	
Ending Fund Balances		\$ 986,458	

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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 822,909	\$ 793,519	\$ (29,390)
Investment income	6,000	38,160	32,160
Total Revenues	828,909	831,679	2,770
<u>Expenditures</u>			
Current:			
Community services	10,928,532	-	10,928,532
Capital outlay	-	8,237,326	(8,237,326)
Debt Service:			
Principal	1,644,750	755,000	889,750
Interest and fiscal charges	191,003	67,274	123,729
Total Expenditures	12,764,285	9,059,600	3,704,685
Revenues Over (Under) Expenditures	(11,935,376)	(8,227,921)	3,707,455
<u>Other Financing Sources (Uses)</u>			
Transfers in	587,855	619,942	32,087
Total Other Financing Sources (Uses)	587,855	619,942	32,087
Net Change in Fund Balance	\$ (11,347,521)	(7,607,979)	\$ 3,739,542
Beginning fund balance		11,263,572	
Ending Fund Balance		\$ 3,655,593	

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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 12,000	\$ 18,885	\$ 6,885
Investment income	1,200	582	(618)
Total Revenues	13,200	19,467	6,267
Revenues Over (Under) Expenditures	13,200	19,467	6,267
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(12,000)	(18,885)	(6,885) *
Total Other Financing Sources (Uses)	(12,000)	(18,885)	(6,885)
Net Change in Fund Balances	\$ 1,200	582	\$ (618)
Beginning fund balances		10,437	
Ending Fund Balances		\$ 11,019	

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
STREET IMPROVEMENT
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ 1,000	\$ 39,778	\$ 38,778
Total Revenues	1,000	39,778	38,778
 <u>Expenditures</u>			
Public works	100,000	7,000	93,000
Capital outlay	6,561,389	732,559	5,828,830
Total Expenditures	6,661,389	739,559	5,921,830
Revenues Over (Under) Expenditures	(6,660,389)	(699,781)	5,960,608
 <u>Other Financing Sources (Uses)</u>			
Transfers in	670,000	882,970	212,970
Total Other Financing Sources (Uses)	670,000	882,970	212,970
Net Change in Fund Balances	\$ (5,990,389)	183,189	\$ 6,173,578
Beginning fund balances		6,857,175	
Ending Fund Balances		\$ 7,040,364	

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, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Intergovernmental	\$ 76,500	\$ 91,154	\$ 14,654
Investment income	1,200	1,001	(199)
Total Revenues	<u>77,700</u>	<u>92,155</u>	<u>14,455</u>
<u>Expenditures</u>			
Current:			
General government	10,700	71,228	(60,528) *
Total Expenditures	<u>10,700</u>	<u>71,228</u>	<u>(60,528)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(65,000)	-	65,000
Total Other Financing Sources (Uses)	<u>(65,000)</u>	<u>-</u>	<u>65,000</u>
Net Change in Fund Balances	<u>\$ 2,000</u>	20,927	<u>\$ 18,927</u>
Beginning fund balances		<u>217,644</u>	
Ending Fund Balances		<u>\$ 238,571</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
FEDERAL FORFEITURES
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ 350	\$ 164	\$ (186)
Total Revenues	350	31,838	31,488
 <u>Expenditures</u>			
Current:			
Public safety	43,400	35,983	7,417
Total Expenditures	43,400	35,983	7,417
Revenues Over (Under) Expenditures	(43,050)	(4,145)	38,905
Net Change in Fund Balances	\$ (43,050)	(4,145)	\$ 38,905
Beginning fund balances		58,848	
Ending Fund Balances		\$ 54,703	

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, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Intergovernmental	\$ 500	\$ 2,500	\$ 2,000
Investment income	25	24	(1)
Total Revenues	<u>525</u>	<u>2,524</u>	<u>1,999</u>
<u>Expenditures</u>			
Current:			
Public safety	2,500	16,505	(14,005) *
Total Expenditures	<u>2,500</u>	<u>16,505</u>	<u>(14,005)</u>
Net Change in Fund Balances	<u>\$ (1,975)</u>	<u>(7,501)</u>	<u>\$ (5,526)</u>
Beginning fund balances		5,510	
Ending Fund Balances		<u>\$ (1,991)</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
PARKS & RECREATION
For the Year Ended September 30, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Charges for services	\$ 555,000	\$ 594,058	\$ 39,058
Investment income	2,700	2,457	(243)
Contributions	-	43	43
Other revenue	-	30,370	30,370
Total Revenues	<u>557,700</u>	<u>626,928</u>	<u>69,228</u>
<u>Expenditures</u>			
Current:			
Culture and recreation	538,073	170,627	367,446
Total Expenditures	<u>538,073</u>	<u>170,627</u>	<u>367,446</u>
Revenues Over (Under) Expenditures	<u>19,627</u>	<u>456,301</u>	<u>436,674</u>
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	-	(200,095)	(200,095)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(200,095)</u>	<u>(200,095)</u>
Net Change in Fund Balances	<u>\$ 19,627</u>	<u>256,206</u>	<u>\$ 236,579</u>
Beginning fund balances		<u>473,924</u>	
Ending Fund Balances		<u>\$ 730,130</u>	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LAW ENFORCEMENT FORFEITURES
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 15,000	\$ -	\$ (15,000)
Intergovernmental	-	46,244	46,244
Investment income	25	152	127
Total Revenues	15,025	46,396	31,371
 <u>Expenditures</u>			
Current:			
Public safety	13,750	37,183	(23,433)
Total Expenditures	13,750	37,183	(23,433) *
Revenues Over (Under) Expenditures	1,275	9,213	7,938
 <u>Other Financing Sources (Uses)</u>			
Transfers in	-	1,267	1,267
Total Other Financing Sources (Uses)	-	1,267	1,267
Net Change in Fund Balances	\$ 1,275	10,480	\$ 9,205
Beginning fund balances		27,822	
Ending Fund Balances		\$ 38,302	

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
SPECIAL EVENTS
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Other income	\$ 147,000	\$ 309,123	\$ 162,123
Investment income	5	7	2
Total Revenues	147,005	309,130	162,125
 <u>Expenditures</u>			
Current:			
General government	147,000	296,746	(149,746)
Public works	-	31,008	(31,008)
Total Expenditures	147,000	327,754	(149,746) *
Revenues Over (Under) Expenditures	5	(18,624)	12,379
Net Change in Fund Balances	\$ 5	(18,624)	\$ 12,379
Beginning fund balances		7,555	
Ending Fund Balances		\$ (11,069)	

Notes to Other Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

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

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 10,000	\$ 10,304	\$ 304
Investment income	120	77	(43)
Total Revenues	10,120	10,381	261
 <u>Expenditures</u>			
Current:			
Public service	10,000	4,823	5,177
Total Expenditures	10,000	4,823	5,177
Revenues Over (Under) Expenditures	120	5,558	5,438
Net Change in Fund Balances	\$ 120	5,558	\$ 5,438
Beginning fund balances		16,971	
Ending Fund Balances		\$ 22,529	

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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 9,000	\$ 8,667	\$ (333)
Investment income	100	100	-
Total Revenues	9,100	8,767	(333)
 <u>Expenditures</u>			
Current:			
Public service	28,000	7,133	20,867
Total Expenditures	28,000	7,133	20,867
Revenues Over (Under) Expenditures	(18,900)	1,634	20,534
Net Change in Fund Balances	\$ (18,900)	1,634	\$ 20,534
Beginning fund balances		28,608	
Ending Fund Balances		\$ 30,242	

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, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Intergovernmental	\$ 1,700	\$ -	\$ (1,700)
Investment income	15	26	11
Total Revenues	<u>1,715</u>	<u>26</u>	<u>(1,689)</u>
Revenues Over (Under) Expenditures	<u>(285)</u>	<u>26</u>	<u>311</u>
Net Change in Fund Balances	<u>\$ (285)</u>	<u>26</u>	<u>\$ 311</u>
Beginning fund balances		<u>6,965</u>	
Ending Fund Balances		<u>\$ 6,991</u>	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HOMELAND SECURITY GRANT
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 25,000	\$ 34,504	\$ 9,504
Investment income	20	8	(12)
Total Revenues	25,020	34,512	9,492
 <u>Expenditures</u>			
Current:			
Public safety	25,000	28,024	(3,024)
Total Expenditures	25,000	28,024	(3,024) *
Revenues Over (Under) Expenditures	20	6,488	6,468
 <u>Other Financing Sources (Uses)</u>			
Transfers (out)	-	(6,480)	(6,480)
Total Other Financing Sources (Uses)	-	(6,480)	(6,480) *
Net Change in Fund Balances	\$ 20	8	\$ (12)
Beginning fund balances		2,021	
Ending Fund Balances		\$ 2,029	

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
VEHICLE SEIZURES
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ 10	\$ 3	\$ (7)
Total Revenues	10	3	(7)
Revenues Over (Under) Expenditures	10	3	(7)
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	-	(1,267)	(1,267)
Total Other Financing Sources (Uses)	-	(1,267)	(1,267) *
Net Change in Fund Balances	\$ 10	(1,264)	\$ (1,274)
Beginning fund balances		1,264	
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
CANINE
For the Year Ended September 30, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Investment income	\$ 75	\$ 10	\$ (65)
Total Revenues	<u>75</u>	<u>10</u>	<u>(65)</u>
<u>Expenditures</u>			
Current:			
Public safety	2,500	454	2,046
Total Expenditures	<u>2,500</u>	<u>454</u>	<u>2,046</u>
Net Change in Fund Balances	<u>\$ (2,425)</u>	<u>(444)</u>	<u>\$ 1,981</u>
Beginning fund balances		<u>3,112</u>	
Ending Fund Balances		<u>\$ 2,668</u>	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
POLICE TRAINING
For the Year Ended September 30, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Investment income	\$ 15	\$ 6	\$ (9)
Other revenue	3,000	2,695	(305)
Total Revenues	<u>3,015</u>	<u>2,701</u>	<u>(314)</u>
<u>Expenditures</u>			
Current:			
Public safety	3,015	2,701	314
Total Expenditures	<u>3,015</u>	<u>2,701</u>	<u>314</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning fund balances		-	
Ending Fund Balances		<u>\$ -</u>	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
POLICE EQUIPMENT
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 1,000	\$ 4,163	\$ 3,163
Investment income	5	7	2
Total Revenues	1,005	4,170	3,165
 <u>Expenditures</u>			
Current:			
Public safety	1,000	4,660	(3,660)
Total Expenditures	1,000	4,660	(3,660) *
Revenues Over (Under) Expenditures	5	(490)	(495)
Net Change in Fund Balances	\$ 5	(490)	\$ (495)
Beginning fund balances		1,491	
Ending Fund Balances		\$ 1,001	

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, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 10,000	\$ 10,010	\$ 10
Investment income	200	75	(125)
Total Revenues	10,200	10,085	(115)
Revenues Over (Under) Expenditures	10,200	10,085	(115)
Net Change in Fund Balances	\$ 10,200	10,085	\$ (115)
Beginning fund balances		14,951	
Ending Fund Balances		\$ 25,036	

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, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 300	\$ 200	\$ (100)
Investment income	5	2	(3)
Total Revenues	<u>305</u>	<u>202</u>	<u>(103)</u>
Revenues Over (Under) Expenditures	<u>305</u>	<u>202</u>	<u>(103)</u>
Net Change in Fund Balances	<u>\$ 305</u>	<u>202</u>	<u>\$ (103)</u>
Beginning fund balances		<u>298</u>	
Ending Fund Balances		<u>\$ 500</u>	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
THE PARK
For the Year Ended September 30, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Other income	\$ 250	\$ 30	\$ (220)
Investment income	1	-	(1)
Total Revenues	<u>251</u>	<u>30</u>	<u>(221)</u>
Revenues Over (Under) Expenditures	<u>251</u>	<u>30</u>	<u>(221)</u>
Net Change in Fund Balances	<u>\$ 251</u>	<u>30</u>	<u>\$ (221)</u>
Beginning fund balances		<u>35</u>	
Ending Fund Balances		<u>\$ 65</u>	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TASWA RESERVE
For the Year Ended September 30, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Investment income	\$ 725	\$ 3,027	\$ 2,302
Total Revenues	<u>725</u>	<u>3,027</u>	<u>2,302</u>
<u>Expenditures</u>			
Current:			
Public works	100,000	91,567	8,433
Total Expenditures	<u>100,000</u>	<u>91,567</u>	<u>8,433</u>
Revenues Over (Under) Expenditures	<u>(99,275)</u>	<u>(88,540)</u>	<u>10,735</u>
<u>Other Financing Sources (Uses)</u>			
Transfers in	438,543	497,016	58,473
Transfers (out)	(75,000)	(90,813)	(15,813)
Total Other Financing Sources (Uses)	<u>363,543</u>	<u>406,203</u>	<u>42,660</u>
Net Change in Fund Balances	<u>\$ 264,268</u>	<u>317,663</u>	<u>\$ 53,395</u>
Beginning fund balances		<u>480,867</u>	
Ending Fund Balances		<u>\$ 798,530</u>	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARK DEDICATION
For the Year Ended September 30, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Other income	\$ -	\$ 7,500	\$ 7,500
Investment income	75	162	87
Total Revenues	<u>75</u>	<u>7,662</u>	<u>7,587</u>
Net Change in Fund Balances	<u>\$ 75</u>	7,662	<u>\$ 7,587</u>
Beginning fund balances		48,069	
Ending Fund Balances		<u>\$ 55,731</u>	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
IMPROVEMENT FUND
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Other income	\$ 10,000	\$ -	\$ (10,000)
Investment income	15	16	1
Total Revenues	10,015	16	(9,999)
 <u>Expenditures</u>			
Current:			
General government	10,000	-	10,000
Total Expenditures	10,000	-	10,000
Revenues Over (Under) Expenditures	15	16	1
Net Change in Fund Balances	\$ 15	16	\$ 1
Beginning fund balances		4,220	
Ending Fund Balances		\$ 4,236	

Notes to Other Supplementary Information

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

City of Denison, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL RELIEF
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 3,663,306	\$ 3,663,306	\$ -
Investment income	2,900	13,058	10,158
Total Revenues	3,666,206	3,676,364	10,158
 <u>Expenditures</u>			
Current:			
General government	3,555,500	612,509	2,942,991
Community services	-	158,174	(158,174)
Public works	2,879,465	1,133,164	1,746,301
Total Expenditures	6,434,965	1,903,847	4,531,118
Revenues Over (Under) Expenditures	(2,768,759)	1,772,517	4,541,276
 <u>Other Financing Sources (Uses)</u>			
Transfers (out)	(900,000)	(1,307,289)	(407,289)
Total Other Financing Sources (Uses)	(900,000)	(1,307,289)	(407,289)
Net Change in Fund Balances	\$ (3,668,759)	465,228	\$ 4,133,987
Beginning fund balances		3,669,895	
Ending Fund Balances		\$ 4,135,123	

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, 2022

	Custodial Funds		Total
	Police Seizure	Sister City	
<u>Assets</u>			
Cash and cash equivalents	\$ 72,505	\$ 15,723	\$ 88,228
Total Assets	72,505	15,723	88,228
<u>Net Position</u>			
Restricted for organizations and other governments	72,505	15,723	88,228
Total Liabilities	\$ 72,505	\$ 15,723	\$ 88,228

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, 2022

		Custodial Funds		Total
		Police Seizure	Sister City	
<u>Additions</u>				
Contributions		\$ 14,848	\$ 20,200	\$ 35,048
Total Additions		14,848	20,200	35,048
 <u>Deductions</u>				
Intergovernmental		46,244	20,810	67,054
Total Deductions		46,244	20,810	67,054
Change in Net Position		(31,396)	(610)	(32,006)
Beginning net position		103,901	16,333	120,234
Ending Net Position		\$ 72,505	\$ 15,723	\$ 88,228

See Notes to Financial Statements.



City of Denison, Texas
COMBINING SCHEDULE OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2022

	Denison Business and Industrial Corporation	Denison Community Investment Corporation*	Denison Public Library Endowment Fund	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 5,153,773	\$ 163,953	\$ 1,701	\$ 5,319,427
Investments	-	240,000	-	240,000
Restricted assets - cash	-	11,533	-	11,533
Retricted assets - investments	-	-	668,175	668,175
Receivables, net	1,667,576	7,364	-	1,674,940
Intergovernmental receivable	2,678,080	-	-	2,678,080
Notes receivable, current	-	168,423	-	168,423
Total Current Assets	9,499,429	591,273	669,876	10,760,578
Note receivable, noncurrent	-	1,100,189	-	1,100,189
Capital assets:				
Non-depreciable	4,427,644	-	-	4,427,644
Net depreciable capital assets	2,785,227	-	-	2,785,227
Total Noncurrent Assets	7,212,871	1,100,189	-	8,313,060
Total Assets	16,712,300	1,691,462	669,876	19,073,638
<u>Liabilities</u>				
Accounts payable and accrued liabilities	261,067	-	-	261,067
Escrow payable	-	11,533	-	11,533
Accrued interest payable	396,670	-	-	396,670
Compensated absences - current	7,158	-	-	7,158
Debt due within one year	254,418	-	-	254,418
	919,313	11,533	-	930,846
Noncurrent liabilities:				
Compensated absences - noncurrent	64,427	-	-	64,427
Debt due in more than one year	4,871,475	-	-	4,871,475
	4,935,902	-	-	4,935,902
Total Liabilities	5,855,215	11,533	-	5,866,748
<u>Deferred Inflows of Resources</u>				
Lease related	985,722	-	-	985,722
<u>Net Position</u>				
Net investment in capital assets	1,690,308	-	-	1,690,308
Restricted				
Debt service	13,245	-	-	13,245
Unrestricted	8,167,810	1,679,929	669,876	10,517,615
Total Net Position	\$ 9,871,363	\$ 1,679,929	\$ 669,876	\$ 12,221,168

*Note: As of December 31, 2021

City of Denison, Texas
COMBINING SCHEDULE OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Component Units				
Governmental Activities				
Business and Industrial	\$ 2,590,818	\$ 451,885	\$ 271,120	\$ -
Public Library Endowment Fund	58,169	-	19,514	-
Total Governmental Activities	2,648,987	451,885	290,634	-
Business-Type Activities				
Community Investment	14,863	-	-	-
Total Business-Type Activities	14,863	-	-	-
Total Component Units	\$ 2,663,850	\$ 451,885	\$ 290,634	\$ -

General Revenues:

Sales taxes

Investment income (losses)

Other revenues

Total General Revenues

Change in Net Position

Beginning Net Position

Ending Net Position

*Note: For the year ended December 31, 2021

Net (Expense) Revenue and Changes in Net Position

Denison Business and Industrial Corporation	Denison Community Investment Corporation*	Denison Public Library Endowment Fund	Total
\$ (1,867,813)	\$ -	\$ -	\$ (1,867,813)
-	-	(38,655)	(38,655)
<u>(1,867,813)</u>	<u>-</u>	<u>(38,655)</u>	<u>(1,906,468)</u>
-	(14,863)	-	(14,863)
-	(14,863)	-	(14,863)
<u>\$ (1,867,813)</u>	<u>\$ (14,863)</u>	<u>\$ (38,655)</u>	<u>\$ (1,921,331)</u>
2,558,727	-	-	2,558,727
101,076	4,178	(145,472)	(40,218)
1,018	52,445		53,463
<u>2,660,821</u>	<u>56,623</u>	<u>(145,472)</u>	<u>2,571,972</u>
793,008	41,760	(184,127)	650,641
9,078,355	1,638,169	854,003	11,570,527
<u>\$ 9,871,363</u>	<u>\$ 1,679,929</u>	<u>\$ 669,876</u>	<u>\$ 12,221,168</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.

Contents	Page
Financial Trends	149
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	156
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	162
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	167
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	169
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	



City of Denison, Texas
NET POSITION BY COMPONENT
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities										
Net investment in capital assets	\$ 43,044,809	\$ 40,778,772	\$ 38,828,612	\$ 37,535,804	\$ 37,495,796	\$ 37,132,818	\$ 35,036,127	\$ 26,366,449	\$ 26,183,653	\$ 25,489,295
Restricted	10,233,014	7,155,833	1,305,137	1,645,398	773,847	501,914	481,114	315,807	284,879	790,267
Unrestricted	2,197,836	(529,620)	(1,912,786)	(3,251,881)	(51,283)	(364,665)	1,024,406	2,058,721	1,251,676	6,124,351
Total governmental activities net position	\$ 55,475,659	\$ 47,404,985	\$ 38,220,963	\$ 35,929,321	\$ 38,218,360	\$ 37,270,067	\$ 36,541,647	\$ 28,740,977	\$ 27,720,208	\$ 32,403,913
Business-type activities										
Net investment in capital assets	\$ 23,173,107	\$ 19,181,636	\$ 21,327,908	\$ 18,465,710	\$ 18,227,222	\$ 17,982,620	\$ 17,690,856	\$ 17,614,946	\$ 17,361,833	\$ 18,066,238
Restricted	-	-	-	-	-	-	-	-	-	308,663
Unrestricted	7,447,098	8,338,628	4,777,839	5,973,273	3,693,557	3,285,060	3,199,098	3,399,905	3,361,574	2,691,624
Total business-type activities net position	\$ 30,620,205	\$ 27,520,264	\$ 26,105,747	\$ 24,438,983	\$ 21,920,779	\$ 21,267,680	\$ 20,889,954	\$ 21,014,851	\$ 20,723,407	\$ 21,066,525
Primary government										
Net investment in capital assets	\$ 66,217,916	\$ 59,960,408	\$ 60,156,520	\$ 56,001,514	\$ 55,723,018	\$ 55,115,438	\$ 52,726,983	\$ 43,981,395	\$ 43,545,486	\$ 43,555,533
Restricted	10,233,014	7,155,833	1,305,137	1,645,398	773,847	501,914	481,114	315,807	284,879	1,098,930
Unrestricted	9,644,934	7,809,008	2,865,053	2,721,392	3,642,274	2,920,395	4,223,504	5,458,626	4,613,250	8,815,975
Total primary government net position	\$ 86,095,864	\$ 74,925,249	\$ 64,326,710	\$ 60,368,304	\$ 60,139,139	\$ 58,537,747	\$ 57,431,601	\$ 49,755,828	\$ 48,443,615	\$ 53,470,438

Source: Audited city financials

City of Denison, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
General government	\$ 6,417,612	\$ 4,690,211	\$ 4,979,074	\$ 5,675,190	\$ 5,592,849	\$ 6,217,065	\$ 4,676,013	\$ 4,368,406	\$ 4,435,657	\$ 4,440,637
Public safety	13,218,099	11,977,539	11,807,727	12,903,441	11,341,795	11,552,027	10,918,408	9,790,527	10,211,949	9,971,406
Community services	6,815,721	6,532,744	6,396,781	5,776,713	4,055,461	4,288,512	4,124,284	3,708,493	3,536,025	2,896,243
Public works	6,227,422	6,101,920	6,849,224	6,804,281	6,324,708	6,157,746	4,953,880	5,524,477	6,092,200	5,365,405
Interest on long-term debt	1,061,659	1,030,163	651,586	506,897	538,988	489,753	305,847	239,722	208,340	280,610
Total governmental activities expenses	<u>33,740,513</u>	<u>30,332,577</u>	<u>30,684,392</u>	<u>31,666,522</u>	<u>27,853,801</u>	<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>
Business-type activities:										
Water and sewer	12,062,253	10,834,046	10,164,849	10,545,353	9,771,531	9,557,924	9,456,049	9,350,407	8,633,070	8,877,882
Total business-type activities expenses	<u>12,062,253</u>	<u>10,834,046</u>	<u>10,164,849</u>	<u>10,545,353</u>	<u>9,771,531</u>	<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>
Total primary government expenses	<u>\$ 45,802,766</u>	<u>\$ 41,166,623</u>	<u>\$ 40,849,241</u>	<u>\$ 42,211,875</u>	<u>\$ 37,625,332</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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 241,737	\$ 310,850	\$ 1,231,546	\$ 1,418,334	\$ 1,243,624	\$ 1,214,347	\$ 901,405	\$ 1,038,224	\$ 1,288,598	\$ 1,557,029
Public safety	1,356,310	1,200,216	910,917	1,829,812	2,353,054	1,860,847	2,237,545	2,230,118	1,503,310	1,694,965
Community services	2,453,643	2,118,081	1,652,774	1,688,766	1,446,762	1,405,039	1,170,975	1,084,003	1,100,612	1,275,625
Public works	6,157,608	5,821,317	5,654,494	5,410,774	5,394,334	5,178,881	4,948,606	4,882,630	4,709,727	5,457,436
Operating grants and contributions	949,989	912,461	1,668,713	449,370	819,419	224,280	1,199,819	533,356	789,741	43,392
Capital grants and contributions	3,913,306	5,260,875	-	-	-	272,525	-	-	-	505,221
Total governmental activities program revenues	<u>15,072,593</u>	<u>15,623,800</u>	<u>11,118,444</u>	<u>10,797,056</u>	<u>11,257,193</u>	<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>
Business-type activities:										
Charges for services:										
Water and sewer	16,903,891	14,518,795	13,736,756	12,783,394	12,555,348	11,925,469	11,035,471	10,874,750	9,890,510	9,656,556
Operating grants and contributions	-	-	25,375	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>16,903,891</u>	<u>14,518,795</u>	<u>13,762,131</u>	<u>12,783,394</u>	<u>12,555,348</u>	<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>
Total primary government program revenues	<u>\$ 31,976,484</u>	<u>\$ 30,142,595</u>	<u>\$ 24,880,575</u>	<u>\$ 23,580,450</u>	<u>\$ 23,812,541</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>

Source: Audited city financials

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net (Expenses) Revenue										
Governmental activities	\$ (18,667,920)	\$ (14,708,777)	\$ (19,565,948)	\$ (20,869,466)	\$ (16,596,608)	\$ (18,549,184)	\$ (14,520,082)	\$ (13,863,294)	\$ (15,092,183)	\$ (12,420,633)
Business-type activities	4,841,638	3,684,749	3,597,282	2,238,041	2,783,817	2,367,545	1,579,422	1,524,343	1,257,440	778,674
Total primary government net expense	\$ (13,826,282)	\$ (11,024,028)	\$ (15,968,666)	\$ (18,631,425)	\$ (13,812,791)	\$ (16,181,639)	\$ (12,940,660)	\$ (12,338,951)	\$ (13,834,743)	\$ (11,641,959)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 13,263,057	\$ 12,248,777	\$ 11,069,151	\$ 10,049,035	\$ 8,861,579	\$ 8,507,756	\$ 7,669,631	\$ 7,170,676	\$ 6,793,411	\$ 6,422,518
Sales taxes	7,924,179	6,437,969	6,112,237	5,710,960	5,591,271	5,148,801	4,717,022	4,417,481	4,154,796	4,228,912
Franchise and local taxes	2,419,078	2,032,350	1,760,562	1,974,020	1,936,874	1,788,815	1,837,245	1,861,481	1,965,979	1,848,653
Other revenues	1,013,301	712,483	719,271	624,662	735,762	859,401	625,210	32,325	375,221	239,834
Investment earnings	147,480	95,150	126,053	216,726	163,508	105,995	45,826	143,629	33,241	42,015
Gain (Loss) on sale of capital assets	-	-	-	-	-	50,000	(567,217)	-	-	-
Change in interest in recipient org.	-	-	-	-	-	-	-	-	-	12,855
Transfers	1,971,499	2,304,170	2,070,316	5,024	1,539,284	2,023,317	1,687,361	1,258,471	1,225,000	1,233,324
Total governmental activities	26,738,594	23,830,899	21,857,590	18,580,427	18,828,278	18,484,085	16,015,078	14,884,063	14,547,648	14,028,111
Business-type activities:										
Miscellaneous	-	-	-	-	-	-	-	-	-	3,150
Investment earnings	229,802	33,938	139,798	285,187	108,868	33,498	28,985	25,572	13,976	19,362
Gain (Loss) on sale of capital assets	-	-	-	-	-	-	(45,943)	-	-	-
Transfers	(1,971,499)	(2,304,170)	(2,070,316)	(5,024)	(1,539,284)	(2,023,317)	(1,687,361)	(1,258,471)	(1,225,000)	(1,233,324)
Total business-type activities	(1,741,697)	(2,270,232)	(1,930,518)	280,163	(1,430,416)	(1,989,819)	(1,704,319)	(1,232,899)	(1,211,024)	(1,210,812)
Total primary government	\$ 24,996,897	\$ 21,560,667	\$ 19,927,072	\$ 18,860,590	\$ 17,397,862	\$ 16,494,266	\$ 14,310,759	\$ 13,651,164	\$ 13,336,624	\$ 12,817,299
Change in Net Position										
Governmental activities	\$ 8,070,674	\$ 9,122,122	\$ 2,291,642	\$ (2,289,039)	\$ 2,231,670	\$ (65,099)	\$ 1,494,996	\$ 1,020,769	\$ (544,535)	\$ 1,607,478
Business-type activities	3,099,941	1,414,517	1,666,764	2,518,204	1,353,401	377,726	(124,897)	291,444	46,416	(432,138)
Total primary government	\$ 11,170,615	\$ 10,536,639	\$ 3,958,406	\$ 229,165	\$ 3,585,071	\$ 312,627	\$ 1,370,099	\$ 1,312,213	\$ (498,119)	\$ 1,175,340

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

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

Fiscal Year	Property Tax	Franchise Tax	Sales Tax	Hotel/Motel Tax	Bingo and Mixed Beverage Tax	Total
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
2022	\$ 12,671,887	\$ 1,697,506	\$ 7,277,734	\$ 668,781	\$ 84,439	\$ 22,400,347

Source: Audited city financials

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nondisposable	\$ 145,090	\$ 468,408	\$ 252,330	\$ 327,573	\$ 88,498	\$ 109,918	\$ 113,434	\$ 86,063	\$ 111,432	\$ 124,192
Restricted	2,420,594	1,100,000	-	-	-	-	-	-	26,461	16,762
Committed	109,433	206,162	474,294	386,981	751,725	1,706,012	1,706,012	1,781,095	1,358,671	1,322,492
Assigned	-	-	-	-	-	-	-	-	-	637,602
Unassigned	8,860,243	8,101,334	5,884,269	6,251,513	6,857,817	6,187,054	5,743,218	6,168,066	5,590,148	3,942,369
Total general fund	\$ 11,535,360	\$ 9,875,904	\$ 6,610,893	\$ 6,966,067	\$ 7,698,040	\$ 8,002,984	\$ 7,562,664	\$ 8,035,224	\$ 7,086,712	\$ 6,043,417
All Other Governmental Funds										
Restricted	\$ 19,444,409	\$ 24,114,680	\$ 10,245,490	\$ 1,645,398	\$ 2,385,232	\$ 13,890,862	\$ 10,853,153	\$ 1,848,023	\$ 3,365,871	\$ 4,629,922
Committed	1,397,391	1,229,356	848,620	935,347	877,138	728,932	674,417	514,828	399,939	765,561
Assigned	202,445	269,715	238,796	235,516	245,622	247,863	277,204	220,142	250,138	265,716
Unassigned	(50,863)	(8,421)	(755)	(75,058)	(260,195)	(2,127)	(21,824)	(16,858)	(11,919)	(7,567)
Total all other governmental funds	\$ 20,993,382	\$ 25,605,330	\$ 11,332,151	\$ 2,741,203	\$ 3,247,797	\$ 14,865,530	\$ 11,782,950	\$ 2,566,135	\$ 4,004,029	\$ 5,653,632

Source: Audited city financials

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes	\$ 23,621,868	\$ 20,701,674	\$ 18,890,254	\$ 17,686,489	\$ 16,324,904	\$ 15,470,740	\$ 14,225,726	\$ 13,479,894	\$ 12,897,439	\$ 12,544,400
Licenses, permits, and fees	1,200,857	884,066	767,573	607,804	523,420	512,456	304,911	261,607	280,531	253,606
Operating contributions	164,160	-	1,334,468	797,349	25,900	224,280	406,300	79,525	72,329	-
Capital contributions	-	-	-	445,540	1,587,038	793,519	793,519	-	-	125,022
Intergovernmental	5,242,697	6,497,050	-	-	-	-	-	453,831	717,412	267,500
Charges for services	8,409,915	8,076,671	8,637,896	9,560,848	9,321,868	8,889,643	8,448,748	8,448,544	8,458,972	8,048,351
Fines and forfeitures	436,013	475,924	316,459	400,547	601,428	456,094	568,599	543,089	520,751	581,630
Investment earnings	152,395	95,150	126,053	216,726	163,508	105,995	45,826	32,325	33,241	42,016
Other revenues	861,086	961,836	803,623	624,662	735,762	859,401	774,822	543,241	774,833	903,449
Total Revenues	40,088,991	37,692,371	30,876,326	30,339,965	29,283,828	27,312,128	25,568,451	23,842,056	23,755,508	22,765,974
Expenditures										
Current:										
General government	8,463,973	4,607,099	4,260,806	5,256,116	5,496,424	5,545,323	4,686,707	4,156,486	4,844,552	4,524,438
Public safety	12,685,967	11,344,112	11,350,803	11,618,750	10,467,072	10,597,386	10,023,933	9,643,623	9,506,635	9,113,861
Community services	6,523,281	6,283,141	6,252,363	6,468,070	3,974,436	6,765,751	4,152,743	6,292,975	6,379,924	3,196,805
Public works	7,583,127	5,596,970	6,231,492	6,382,160	5,740,187	5,751,542	5,420,051	2,317,968	2,677,186	4,870,220
Capital outlay	12,174,572	5,730,452	3,013,046	2,399,460	16,041,273	1,930,282	744,496	3,318,030	2,790,311	1,555,758
Debt Service:										
Principal retirement	3,859,021	3,078,280	2,733,212	2,656,495	2,387,944	1,787,351	1,159,923	1,094,496	955,440	1,071,841
Interest and fiscal changes	1,303,933	733,247	507,397	531,477	550,687	395,015	258,196	281,184	257,640	250,202
Bond issuance costs	100,000	161,203	174,909	-	30,194	139,812	53,508	-	-	-
Total Expenditures	52,693,874	37,534,504	34,524,028	35,312,528	44,688,217	32,912,462	26,499,557	27,104,762	27,411,688	24,583,125
Excess of Revenues Over (Under)										
Expenditures	(12,604,883)	157,867	(3,647,702)	(4,972,563)	(15,404,389)	(5,600,334)	(931,106)	(3,262,706)	(3,656,180)	(1,817,151)
Other financing sources (uses)										
Bond issuance	4,600,000	12,295,000	8,750,000	-	1,000,000	7,350,000	7,475,000	-	1,435,000	5,682,800
Payments on refunding bonds	-	-	-	-	-	-	-	-	-	(3,530,000)
Net bond premium and discounts	-	1,366,013	1,024,909	-	-	117,671	-	-	-	337,469
Lease issuance	3,150,511	1,100,000	-	1,887,500	790,378	-	463,000	1,600,000	582,000	400,049
Proceeds from sale of capital assets	167,621	104,973	-	-	-	50,000	50,000	-	-	500,000
Transfers, net	1,982,989	2,304,170	2,070,316	1,846,493	2,019,378	1,645,934	1,687,361	1,258,471	1,225,000	1,184,068
Total Other Financing Sources (Uses)	9,901,121	17,170,156	11,845,225	3,733,993	3,809,756	9,163,605	9,675,361	2,858,471	3,242,000	4,574,386
Net change in fund balances	\$ (2,703,762)	\$ 17,328,023	\$ 8,197,523	\$ (1,238,570)	\$ (11,594,633)	\$ 3,563,271	\$ 8,744,255	\$ (404,235)	\$ (414,180)	\$ 2,757,235
Debt service as percentage of noncapital expenditures	12.7%	12.0%	9.4%	10.2%	10.3%	7.8%	5.8%	5.8%	4.9%	5.7%

Source: Audited city financials

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	Total Direct Tax Rate	Actual Taxable Value	Taxable Value as a Percentage of Assessed Value
	Residential Property	Commercial Property	Personal Property					
2013	\$ 531,766,639	\$ 517,718,636	\$ 310,787,640	(22,604,860)	\$ 1,337,668,055	0.653377	\$ 1,006,714,831	75.26%
2014	\$ 531,789,823	\$ 536,927,831	\$ 303,858,382	(19,543,229)	\$ 1,353,032,807	0.653377	\$ 1,052,058,806	77.76%
2015	\$ 544,960,592	\$ 633,865,861	\$ 311,895,598	(24,957,931)	\$ 1,465,764,120	0.653377	\$ 1,107,802,263	75.58%
2016	\$ 568,909,108	\$ 684,004,866	\$ 334,436,044	(26,132,144)	\$ 1,561,217,874	0.653377	\$ 1,181,434,177	75.67%
2017	\$ 644,858,864	\$ 712,430,939	\$ 321,533,002	(49,001,553)	\$ 1,629,821,252	0.643377	\$ 1,325,736,786	81.34%
2018	\$ 708,301,353	\$ 773,117,625	\$ 311,424,971	(47,844,376)	\$ 1,744,999,573	0.633377	\$ 1,429,444,394	81.92%
2019	\$ 823,905,532	\$ 829,016,556	\$ 318,085,182	(64,664,017)	\$ 1,906,343,253	0.633377	\$ 1,573,456,675	82.54%
2020	\$ 1,126,702,143	\$ 853,672,408	\$ 225,156,269	(85,085,553)	\$ 2,120,445,267	0.652034	\$ 1,755,957,532	82.81%
2021	\$ 1,340,477,872	\$ 912,838,829	\$ 249,517,819	(54,067,910)	\$ 2,448,766,610	0.652034	\$ 2,075,252,425	84.75%
2022	\$ 1,816,597,289	\$ 1,067,090,454	\$ 328,905,930	(198,934,492)	\$ 3,013,659,181	0.652034	\$ 2,591,719,375	86.00%

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

Notes: Property is reassessed at least every three years.

Tax rates are per \$100 of assessed value.

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

Commercial: includes real property, industrial and utilities



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

Fiscal Year 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
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	0.544451	0.107583	0.652034	1.322230	0.376700	0.171067
2022	0.554667	0.097367	0.652034	1.289500	0.339000	0.168053

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	2022			2013		
		Taxable Assessed Value	Rank	Percentage of Taxable Value	Taxable Assessed *Value	Rank	Percentage of Taxable Value
UHS of Texoma Inc. (Texoma Medical C	Medical Facility	\$ 189,504,294	1	7.31%	\$ 30,001,269	2	2.98%
Caterpillar Global Mining	Manufacturing	\$ 61,957,392	2	2.39%	\$ 16,155,395	5	1.60%
Universal Health Services	Medical Facility	\$ 55,205,829	3	2.13%	\$ 23,331,650	3	2.32%
Ruiz Food Products, Inc.	Food Processing	\$ 31,141,969	4	1.20%	\$ 12,371,301	8	1.23%
Grayson Properties LP	Housing Development	\$ 27,598,985	5	1.06%	\$ 13,235,779	7	1.31%
Ruiz Food Products, Inc.	Food Processing	\$ 24,771,928	6	0.96%	\$ -	n/a	0.00%
Spectrum Brands INC	Manufacturing	\$ 19,475,837	7	0.75%	\$ 32,446,384	1	3.22%
Union Pacific Railroad Co	Railroad	\$ 18,809,733	8	0.73%	\$ 22,020,032	4	2.19%
Oncor Electric Delivery Co LLC	Electric Provider	\$ 17,382,033	9	0.67%	\$ 11,298,435	9	1.12%
MFT RGV1 LLC	Housing Development	\$ 16,500,000	10	0.64%	\$ -	n/a	0.00%
Wal-Mart Stores Inc #03521	Large Retailer	\$ -	n/a	0.00%	\$ 9,112,074	10	0.91%
Covenant Denison Holdings LLC	Housing Development	\$ -	n/a	0.00%	\$ 14,511,522	6	1.44%
Top Ten Taxpayers Total:		<u>\$ 462,348,000</u>		<u>17.84%</u>	<u>\$ 184,483,841</u>		<u>18.33%</u>
City-Wide Total Taxable Value:		<u>\$ 2,591,719,375</u>			<u>\$ 1,006,714,831</u>		

Source: Grayson Central Appraisal District - Top Ten Taxpayers

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
2013	\$ 6,418,152	\$ 6,270,222	97.70%	\$ 137,909	\$ 6,408,131	99.84%
2014	\$ 6,691,394	\$ 6,548,938	97.87%	\$ 129,144	\$ 6,678,081	99.80%
2015	\$ 7,055,238	\$ 6,927,406	98.19%	\$ 114,584	\$ 7,041,990	99.81%
2016	\$ 7,501,037	\$ 7,381,352	98.40%	\$ 104,162	\$ 7,485,514	99.79%
2017	\$ 8,309,353	\$ 8,164,388	98.26%	\$ 124,613	\$ 8,289,001	99.76%
2018	\$ 8,688,391	\$ 8,542,962	98.33%	\$ 119,883	\$ 8,662,845	99.71%
2019	\$ 9,520,567	\$ 9,349,717	98.21%	\$ 134,934	\$ 9,484,651	99.62%
2020	\$ 10,811,380	\$ 10,579,942	97.86%	\$ 176,780	\$ 10,756,722	99.49%
2021	\$ 11,779,085	\$ 11,544,648	98.01%	\$ 128,688	\$ 11,673,336	99.10%
2022	\$ 12,737,290	\$ 12,494,778	98.10%	\$ -	\$ 12,494,778	98.10%

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

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

Fiscal Year	Governmental Activities						Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita*
	Certificates of Obligation	General Obligation Bonds	Lease Liabilities	Notes Payable	Tax Notes	Issuance Premiums	Certificates of Obligation	General Obligation Bonds	Lease Liabilities	Issuance Discount	Issuance Premiums			
2013	\$ 2,553,952	\$ 6,762,864	\$ 600,197	\$ -	\$ -	\$ -	\$ 17,880,139	\$ -	\$ 92,740	\$ -	\$ -	\$ 27,889,892	6%	\$ 1,231
2014	\$ 2,473,620	\$ 5,041,618	\$ 970,311	\$ -	\$ 1,435,000	\$ -	\$ 17,924,299	\$ 1,021,100	\$ 17,756	\$ -	\$ -	\$ 28,883,705	6%	\$ 1,271
2015	\$ 2,373,290	\$ 4,481,172	\$ 2,264,737	\$ -	\$ 1,240,000	\$ -	\$ 23,369,865	\$ 1,006,391	\$ 9,110	\$ -	\$ -	\$ 34,744,565	7%	\$ 1,517
2016	\$ 9,747,960	\$ 3,905,726	\$ 2,376,817	\$ -	\$ 1,040,000	\$ -	\$ 23,896,855	\$ 991,682	\$ -	\$ -	\$ -	\$ 41,959,040	9%	\$ 1,790
2017	\$ 14,707,290	\$ 3,209,084	\$ 2,004,263	\$ 1,550,000	\$ 840,000	\$ 379,873	\$ 26,767,548	\$ 897,773	\$ -	\$ (34,527)	\$ (31,507)	\$ 50,289,797	10%	\$ 2,126
2018	\$ 14,369,982	\$ 2,556,200	\$ 2,455,635	\$ 1,389,000	\$ 635,000	\$ 341,245	\$ 31,090,022	\$ 748,800	\$ 353,968	\$ (31,506)	\$ 1,455,795	\$ 55,364,141	9%	\$ 2,271
2019	\$ 13,096,383	\$ 2,082,400	\$ 3,813,038	\$ 1,220,000	\$ 425,000	\$ 302,617	\$ 31,573,621	\$ 3,457,600	\$ 305,632	\$ (13,032)	\$ 2,088,699	\$ 58,351,958	10%	\$ 2,323
2020	\$ 20,540,641	\$ 1,702,400	\$ 3,145,568	\$ 1,050,000	\$ 215,000	\$ 1,288,898	\$ 29,844,363	\$ 7,127,600	\$ 256,652	\$ (11,729)	\$ 2,505,124	\$ 67,664,517	11%	\$ 2,722
2021	\$ 31,075,175	\$ 1,307,200	\$ 4,741,284	\$ 880,000	\$ -	\$ 2,562,340	\$ 42,284,830	\$ 6,312,800	\$ 488,818	\$ (10,426)	\$ 4,314,297	\$ 93,956,318	15%	\$ 3,838
2022	\$ 33,793,716	\$ 995,600	\$ 6,396,833	\$ 709,000	\$ -	\$ 2,401,468	\$ 62,626,289	\$ 5,489,400	\$ 625,196	\$ (9,122)	\$ 6,393,329	\$ 119,421,709	19%	\$ 4,743

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

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

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
2022	25,179	\$ 3,013,659,181	\$ 102,900,000	\$ 986,455	\$ 101,913,545	3.38%	\$ 4,048

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, 2022 (Unaudited)

Governmental Subdivision	Gross Bonded Debt	Percentage of Debt Applicable to Area	City Share of Overlapping Debt
Denison Independent School District	\$ 84,660,000	74.31%	\$ 62,910,846
Grayson County	\$ 26,005,000	15.18%	\$ 3,947,559
Grayson County JCD	\$ 18,945,000	15.18%	\$ 2,875,851
Pottsboro Independent School District	\$ 64,530,000	4.89%	\$ 3,155,517
Sherman Independent School District	\$ 189,140,000	0.42%	\$ 794,388
	<u>\$ 383,280,000</u>		<u>\$ 73,684,161</u>
City of Denison			<u>\$ 44,296,617</u>
Total Direct and Overlapping Debt			<u>\$ 117,980,778</u>
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			3.80%
Per capita overlapping bonded debt			\$ 4,686

Source: "Texas Municipal Report" as of September 30, 2022, 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Tax Rate Limit	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50
Current Tax Rate	<u>0.653377</u>	<u>0.653377</u>	<u>0.653377</u>	<u>0.653377</u>	<u>0.643377</u>	<u>0.633377</u>	<u>0.633377</u>	<u>0.652034</u>	<u>0.652034</u>	<u>0.652034</u>
Available Tax Rate	<u>\$ 1.84662</u>	<u>\$ 1.84662</u>	<u>\$ 1.84662</u>	<u>\$ 1.84662</u>	<u>\$ 1.85662</u>	<u>\$ 1.86662</u>	<u>\$ 1.86662</u>	<u>\$ 1.84797</u>	<u>\$ 1.84797</u>	<u>\$ 1.84797</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.

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	
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
2022	\$ 16,939,915	\$ 8,541,625	\$ 8,398,290	\$ 2,698,700	\$ 1,741,110	1.89

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
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%
2022	25,179	\$ 650,021,064	\$ 25,816	40.7	4,674	4.00%

Sources:

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

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

Name of Employer	Location	Product	2022			2013		
			No. of Employees	Rank	Percentage of Total City Employment	No. of Employees	Rank	Percentage of Total City Employment
Texoma Medical Center	5016 US Hwy 75 S	Health Care Services	4,000	1	15.89%	1,375	1	6.07%
Ruiz Foods	2410 Texoma Drive	El Monterey Frozen Foods	1,100	2	4.37%	705	3	3.11%
Walmart	4636 US Hwy 75 S	Large Retailer	900	3	3.57%	n/a	n/a	n/a
CIGNA	4636 US Hwy 75 S	Insurance Claims Processing	800	4	3.18%	1,212	2	5.35%
Denison Independent School District	1201 S Rusk	Education - Public Schools	722	5	2.87%	624	4	2.75%
Spectrum Brands - Kwikset	2600 TX-91	Manufacturing	320	6	1.27%	n/a	n/a	n/a
Grayson College	6101 Grayson Dr	Education - College	312	7	1.24%	230	9	1.01%
City of Denison	300 W Main St	Government Agency	303	8	1.20%	310	7	1.37%
Caterpillar Inc	6101 Grayson Dr	Manufacturing	250	9	0.99%	460	5	2.03%
Champion Cooler Corporation	1724 S Scullin Ave	Manufacturing	220	10	0.87%	220	10	0.97%
Novo 1 Contact Center	2415 S Austin Ave	Customer Sales & Service	n/a	n/a	n/a	408	6	1.80%
Kwikset Corporation	2600 TX-91	Door Locks	n/a	n/a	n/a	260	8	1.15%
Total Employment Above:			<u>8,927</u>		<u>35.45%</u>	<u>5,804</u>		<u>25.61%</u>
Total Estimated Population:			<u>25,179</u>			<u>22,665</u>		

Source: Denison Development Alliance (DDA) website.

City of Denison, Texas

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

Function / Program	Full-time Equivalent Employees for Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	35	25	26	27	27	30	31	31	46	43
Cemetery	5	6	5	5	5	5	4	4	5	5
Library	11	17	12	12	12	14	14	14	10	11
Municipal Court	2	3	3	3	4	4	4	4	5	3
Police & Communications	41	56	58	60	57	58	60	60	65	72
Fire (& EMS)	40	35	31	62	59	61	61	61	56	60
Emergency Medical Services	33	28	31	-	-	0	0	0	0	0
Animal Control	2	2	2	2	2	2	2	3	3	3
Public Works	55	58	51	44	44	43	43	43	35	40
Parks and Recreation	15	15	17	28	28	32	34	34	19	21
Water and Sewer Systems	53	51	55	63	58	56	58	58	68	72
	<u>291</u>	<u>295</u>	<u>292</u>	<u>306</u>	<u>296</u>	<u>305</u>	<u>311</u>	<u>312</u>	<u>312</u>	<u>330</u>

Source: Employee Services Division

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

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Municipal Court										
Number of cases filed	7,405	9,035	5,455	5,852	5,248	3,748	3,567	2,779	3,906	4,637
Police										
Physical Arrests	2,093	2,215	1,873	1,994	1,809	1,197	848	802	1,411	1,591
Traffic Violations 1	8,662	9,053	8,978	9,595	8,101	6,752	6,672	7,788	12,801	10,633
Fire										
Number of Incidents/Responses 2	4,080	3,992	5,150	4,931	5,413	5,557	5,386	5,048	6,040	5,083
Animal Control										
Number of calls	3,552	2,826	3,224	3,612	2,609	2,537	3,208	2,670	2,256	2,317
Public Works										
Streets maintained (miles)	172.0	172.1	172.6	173.2	173.2	174.7	175.3	175.3	175.3	184.5
Water and Wastewater										
New connections	17	22	38	92	161	177	184	236	200	395
Annual gallons of water pumped*	1,336,516	1,645,984	1,660,087	1,641,722	1,476,599	1,687,602	1,590,020	1,595,928	1,819,915	1,904,940
Miles of water mains maintained	216.3	217.1	219.1	219.1	221.2	223.5	223.9	228.8	228.8	261.9

Source: City Departments

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

2. FY2009 is first year that fire engines were sent out with ambulance runs.

Beginning with FY2015 totals include both fire and medical responses.

*in thousands

Indicators are not available for the general government function



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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	13	12	13	13	13	13	15	15	15	15
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets (miles)	172.0	172.1	172.6	173.2	173.2	174.7	175.3	175.3	175.3	184.5
Parks and Recreation										
Parks (acreage)	345.6	348.2	348.2	338.1	338.1	400	565.6	565.6	587.7	587.7
Number of playgrounds	13	14	14	12	13	16	16	16	16	16
Water and Wastewater										
Water main (miles)	216.3	217.1	219.1	219.1	221.2	223.5	223.9	228.8	228.8	261.9
Sewer mains (miles)	198.5	198.6	200.0	200.1	200.6	201.9	202.3	205.7	205.7	206.8
Storm drainage (miles)	11.2	11.2	11.8	11.8	12.1	13.1	13.7	13.7	13.7	14.5

Source: City departments



CONTINUING DISCLOSURE
(Unaudited)

City of Denison, Texas
VALUATION, EXEMPTIONS, AND GENERAL OBLIGATION DEBT
September 30, 2022 (Unaudited)

2019 -20 Market Valuation Established by Grayson County Appraisal District	\$	3,212,593,673
Less:		
Productivity Loss	\$	45,129,342
Homestead Cap	\$	153,805,150
Exemption DP - Disabled	\$	5,799,968
Exemption OV65 - Over 65	\$	33,426,035
Exemption DV - Disabled Veterans	\$	31,651,416
Exemption EX - Exempt Property	\$	304,154,046
Exemption FR	\$	42,219,079
Exemption AB	\$	3,544,126
Exemption PC	\$	292,179
Exemption PPV	\$	2,200
Exemption SO	\$	850,757
		\$ 620,874,298
2021-22 Taxable Assessed Valuation	\$	2,591,719,375
General Obligation Debt Payable from Ad Valorem Taxes	\$	102,900,000
Less: Self-supporting Debt (<i>Combination Tax & Revenue Certificates of Obligation</i>)	\$	73,317,440
Net General Obligation Debt Payable from Ad Valorem Taxes	\$	29,582,560
General Obligation Interest and Sinking Fund as of September 30, 2022	\$	1,809,157
Ratio General Obligation Tax Debt to Taxable Assessed Valuation		1.14%
2022 Estimated Population		25,179
Per Capita Taxable Assessed Valuation	\$	102,932
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes	\$	4,087

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	2022		2021		2020		2019		2018	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real-Residential Single-Family	\$ 1,522,844,203	47.40%	\$ 1,133,893,145	45.30%	\$ 980,421,588	44.45%	\$ 857,100,275	43.49%	\$ 734,358,391	40.96%
Real-Residential Mobile Home	\$ 11,527,025	0.36%	\$ 7,519,041	0.30%	\$ 8,712,362	0.40%	\$ 5,494,764	0.28%	\$ 6,280,213	0.35%
Real-Other Improvements	\$ 3,724,816	0.12%	\$ 2,691,682	0.11%	\$ 1,962,181	0.09%	\$ 1,720,187	0.09%	\$ 1,540,512	0.09%
Real-Residential, Multi-Family	\$ 132,057,722	4.11%	\$ 92,301,122	3.69%	\$ 47,629,635	2.16%	\$ 40,188,925	2.04%	\$ 35,344,836	1.97%
Real-Vacant Lots/Tracts	\$ 78,749,757	2.45%	\$ 54,203,712	2.17%	\$ 43,440,787	1.97%	\$ 37,310,013	1.89%	\$ 33,165,813	1.85%
Real-Acreage Farm and Ranch	\$ 45,486,631	1.42%	\$ 29,575,726	1.18%	\$ 28,809,461	1.31%	\$ 22,723,871	1.15%	\$ 22,095,042	1.23%
Real-Undeveloped Land	\$ 22,207,135	0.69%	\$ 20,293,444	0.81%	\$ 15,726,129	0.71%	\$ 13,524,591	0.69%	\$ 12,479,957	0.70%
Real-Commercial	\$ 635,489,645	19.78%	\$ 528,720,010	21.12%	\$ 463,682,675	21.02%	\$ 425,900,291	21.61%	\$ 381,817,579	21.30%
Real-Industrial	\$ 53,403,968	1.66%	\$ 52,307,766	2.09%	\$ 51,634,507	2.34%	\$ 47,668,977	2.42%	\$ 51,460,502	2.87%
Real and Intangible Personal, Utilities	\$ 57,715,021	1.80%	\$ 50,926,474	2.03%	\$ 44,394,936	2.01%	\$ 42,870,428	2.18%	\$ 39,250,234	2.19%
Tangible Personal, Commercial	\$ 133,916,391	4.17%	\$ 124,502,423	4.97%	\$ 118,580,027	5.38%	\$ 108,174,038	5.49%	\$ 99,966,693	5.58%
Tangible Commercial, Industrial	\$ 186,565,429	5.81%	\$ 156,382,156	6.25%	\$ 175,380,263	7.95%	\$ 158,207,243	8.03%	\$ 163,816,357	9.14%
Tangible Personal, Mobile Homes	\$ 679,317	0.02%	\$ 395,099	0.02%	\$ 410,071	0.02%	\$ 449,928	0.02%	\$ 452,794	0.03%
Tangible Personal, Other	\$ 319,978,541	9.96%	\$ 241,513,652	9.65%	\$ 217,191,078	9.85%	\$ 207,200,656	10.51%	\$ 205,980,645	11.49%
Real Property, Inventory	\$ 8,248,072	0.26%	\$ 7,609,068	0.30%	\$ 7,555,120	0.34%	\$ 2,473,083	0.13%	\$ 4,834,381	0.27%
Total Appraised Value	3,212,593,673	100.00%	2,502,834,520	100.00%	2,205,530,820	100.00%	1,971,007,270	100.00%	1,792,843,949	100.00%
Less: Total Exemptions/Reductions	198,934,492		54,067,910		85,085,553		64,664,017		47,844,376	
Taxable Assessed Value	<u>\$ 3,013,659,181</u>		<u>\$ 2,448,766,610</u>		<u>\$ 2,120,445,267</u>		<u>\$ 1,906,343,253</u>		<u>\$ 1,744,999,573</u>	

City of Denison, Texas
TAXABLE ASSESSED VALUATIONS BY CATEGORY (continued)
Last Ten Fiscal Years (Unaudited)

Category	2017		2016		2015		2014		2013	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real-Residential Single-Family	\$ 667,525,220	39.76%	\$ 587,302,253	37.00%	\$ 566,235,637	37.98%	\$ 559,623,842	40.77%	\$ 561,472,662	41.28%
Real-Residential Mobile Home	\$ 4,401,753	0.26%	\$ 4,029,401	0.25%	\$ 3,982,701	0.27%	\$ 3,886,979	0.28%	\$ 3,925,666	0.29%
Real-Other Improvements	\$ 1,466,787	0.09%	\$ 1,336,417	0.08%	\$ 1,514,841	0.10%	\$ 1,458,822	0.11%	\$ 1,487,142	0.11%
Real-Residential, Multi-Family	\$ 30,576,020	1.82%	\$ 30,076,264	1.89%	\$ 31,909,976	2.14%	\$ 29,691,769	2.16%	\$ 30,411,718	2.24%
Real-Vacant Lots/Tracts	\$ 33,787,863	2.01%	\$ 28,284,957	1.78%	\$ 28,829,301	1.93%	\$ 30,121,292	2.19%	\$ 24,361,849	1.79%
Real-Acreage Farm and Ranch	\$ 21,078,706	1.26%	\$ 21,390,265	1.35%	\$ 21,688,398	1.45%	\$ 15,379,772	1.12%	\$ 17,684,249	1.30%
Real-Undeveloped Land	\$ 10,539,000	0.63%	\$ 9,711,330	0.61%	\$ 8,950,434	0.60%	\$ 6,625,957	0.48%	\$ 4,723,367	0.35%
Real-Commercial	\$ 353,777,915	21.07%	\$ 336,482,483	21.20%	\$ 312,816,944	20.98%	\$ 305,451,398	22.25%	\$ 302,320,816	22.23%
Real-Industrial	\$ 53,673,514	3.20%	\$ 52,798,639	3.33%	\$ 38,837,036	2.61%	\$ 37,498,437	2.73%	\$ 37,746,105	2.77%
Real and Intangible Personal, Utilities	\$ 49,086,040	2.92%	\$ 48,097,814	3.03%	\$ 44,869,875	3.01%	\$ 44,544,120	3.25%	\$ 38,268,594	2.81%
Tangible Personal, Commercial	\$ 98,977,449	5.90%	\$ 93,540,112	5.89%	\$ 94,281,026	6.32%	\$ 92,536,831	6.74%	\$ 93,601,112	6.88%
Tangible Commercial, Industrial	\$ 167,041,409	9.95%	\$ 186,369,686	11.74%	\$ 165,902,052	11.13%	\$ 160,374,293	11.68%	\$ 173,093,377	12.72%
Tangible Personal, Mobile Homes	\$ 429,433	0.03%	\$ 423,919	0.03%	\$ 413,726	0.03%	\$ 424,896	0.03%	\$ 451,212	0.03%
Tangible Personal, Other	\$ 184,973,399	11.02%	\$ 186,363,033	11.74%	\$ 169,408,224	11.36%	\$ 83,953,423	6.12%	\$ 69,386,328	5.10%
Real Property, Inventory	\$ 1,488,297	0.09%	\$ 1,143,445	0.07%	\$ 1,081,880	0.07%	\$ 1,004,205	0.07%	\$ 1,338,718	0.10%
Total Appraised Value	1,678,822,805	100.00%	1,587,350,018	100.00%	1,490,722,051	100.00%	1,372,576,036	100.00%	1,360,272,915	100.00%
Less: Total Exemptions/Reductions	49,001,553		26,132,144		24,957,931		19,543,229		22,604,860	
Taxable Assessed Value	<u>\$ 1,629,821,252</u>		<u>\$ 1,561,217,874</u>		<u>\$ 1,465,764,120</u>		<u>\$ 1,353,032,807</u>		<u>\$ 1,337,668,055</u>	

Source: Grayson County Central Appraisal District certified taxable assessed values

City of Denison, Texas
VALUATION AND GENERAL OBLIGATION DEBT HISTORY
September 30, 2022 (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
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
2022	25,179	\$ 3,013,659,181	\$ 119,689	\$ 6,480,000	0.22%	\$ 257

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%	99.84%
2014	\$ 0.653377	\$ 0.581121	\$ 0.072256	\$ 6,691,394	\$ 6,548,938	97.87%	99.80%
2015	\$ 0.653377	\$ 0.569980	\$ 0.083397	\$ 7,055,238	\$ 6,927,406	98.19%	99.81%
2016	\$ 0.653377	\$ 0.575883	\$ 0.077494	\$ 7,501,037	\$ 7,381,352	98.41%	99.79%
2017	\$ 0.643377	\$ 0.578521	\$ 0.064856	\$ 8,309,353	\$ 8,164,388	98.26%	99.76%
2018	\$ 0.633377	\$ 0.530791	\$ 0.102586	\$ 8,688,391	\$ 8,542,962	98.33%	99.71%
2019	\$ 0.633377	\$ 0.521438	\$ 0.111939	\$ 9,520,568	\$ 9,349,717	98.21%	99.62%
2020	\$ 0.652034	\$ 0.556902	\$ 0.095132	\$ 10,811,380	\$ 10,579,942	97.86%	99.49%
2021	\$ 0.652034	\$ 0.554667	\$ 0.097367	\$ 12,788,661	\$ 11,739,460	91.80%	91.28%
2022	\$ 0.652034	\$ 0.554667	\$ 0.097367	\$ 12,737,290	\$ 12,698,522	99.70%	98.10%

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

City of Denison, Texas
INTEREST AND SINKING FUND BUDGET PROJECTION
September 30, 2022 (Unaudited)

Tax Supported Debt Service Requirements, Fiscal Year Ending September 30, 2022	\$	1,726,714
Tax Supported Other Fees & Payments	\$	582,883
Interest and Sinking Fund, September 30, 2022	\$	1,409,595
Budgeted Interest and Sinking Fund Tax Levy	\$	2,704,031
Budgeted Interest for Interest and Sinking Fund	\$	5,129
		<hr style="width: 100%;"/>
	\$	4,118,755
Estimated Balance, September 30, 2022	\$	<u><u>1,809,158</u></u>

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

Fiscal Year	Economic Development	City of Denison	Total Collected	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
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
2022	\$ 2,425,911	\$ 7,277,734	\$ 9,703,645	76.18%	\$ 0.496739	\$ 385

City of Denison, Texas
CASH AND INVESTMENTS FOR PRIMARY GOVERNMENT
September 30, 2022 (Unaudited)

<u>Type of Investment</u>			
Cash on Hand	0.00%	\$	1,000
Savings and Checking Accounts	35.40%	\$	24,129,533
Money Market Accounts	1.27%	\$	863,308
Governmental Pool Accounts	61.57%	\$	41,968,821
Certificates of Deposit	<u>1.76%</u>	<u>\$</u>	<u>1,200,000</u>
	<u>100.00%</u>	<u>\$</u>	<u>68,162,662</u>

