

# City of Gainesville, Texas

## Annual Comprehensive Financial Report October 1, 2023-September 30, 2024



*Transfer Station Building*



*Transfer Station Tipping Floor*



*Scale House*



*City Central Garage*

*City of Gainesville General Services Office*





# **CITY OF GAINESVILLE, TEXAS**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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

**Prepared by:**

**Department of Finance**

## **About the Cover**

### **General Services Department**

In 2020, the City embarked on a significant expansion project at the General Services/Solid Waste division. This project, divided into Phase I and Phase II, included the construction of a new main office, parks building, car wash, scale house, and a new garage. Additionally, Phase II involved the expansion of the existing transfer station, marking a significant step in our City's growth and development. The expansion was completed in FY2024.

The City of Gainesville's transfer station is an existing Type V municipal solid waste management facility owned and operated by the City of Gainesville. The transfer station was first permitted by the Texas Department of Health as Municipal Solid Waste (MSW) on September 19, 1977. On December 21, 2021, the TCEQ amended the permit, which increased the capacity from 120 tons to 400 tons daily. The City of Gainesville transfer station can accommodate at least 400 tons daily, which equates to 29,500 tons annually.

The transfer station accepts waste from city waste-hauling vehicles, other cities authorized to use the transfer station, and the public, where residents and non-residents can dispose of residential, commercial, and construction debris. Then, the waste is transferred into transfer trucks for hauling and disposal at the TASWA Landfill Disposal and Recycling Facility.

**CITY OF GAINESVILLE, TEXAS**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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## **INTRODUCTORY SECTION**

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March 18, 2025

Honorable Mayor and City Council  
and the Citizens of the City of Gainesville, Texas:

The Annual Comprehensive Financial Report of the City of Gainesville (the “City”) for the fiscal year ended September 30, 2024, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City issue an annual report on its financial position and activity, and that an independent firm of Certified Public Accountants audit this report.

Responsibility for both accuracy of the data, and the completeness and fairness of the presentation, including all disclosures rests with management. Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation costs and benefits require estimates and judgments by management. All disclosures necessary to enable the reader to gain an understanding of the City’s financial activities have been included.

The City Council contracted with Pattillo, Brown & Hill, Certified Public Accountants. The independent auditor has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2024, and the auditor’s report is located at the front of the financial section of the Annual Comprehensive Financial Report (ACFR).

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

### **GENERAL INFORMATION – CITY OF GAINESVILLE**

The City is located in North Central Texas and was originally incorporated in 1873, with the first Charter being adopted in 1909 and the latest revision made on August 10, 1996. The City currently has a land area of 20 square miles and, as of the 2020 U.S. Census, a population of 17,912. The City is a home rule city and operates under the Council-Manager form of government. The City is

comprised of six (6) wards. Each alternating year, voters of three wards elect their representatives, and, in odd numbered years, a citywide election is held for the Mayor's position. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney, and City Secretary.

The Charter requires that the City Council appoint a City Manager to act as the chief administrative and executive officer of the City. The City Manager is not appointed for a fixed time and may be removed at the will and pleasure of the majority of the City Council. One of the responsibilities of the City Manager is to appoint and remove department heads and conduct the general affairs of the City in accordance with the policies of the City Council. The City Manager is also responsible for carrying out the policies and ordinances of the City Council, and for overseeing the day-to-day operations of the City government.

The City provides to its citizens a full range of services including police and fire protection; water and sewer service; solid waste disposal; park and recreational activities; special events; maintenance of streets; cemetery; and stormwater control maintenance. In addition, the City provides planning for future land use; traffic control; building inspection and code compliance; operates one eighteen-hole golf course; the Frank Buck Zoo; Leonard Park Aquatic Center; and a general aviation airport. Electric, gas, telephone, cable television, and internet services are provided by private utilities including but not limited to PenTex Energy, TXU, Reliant Energy, Atmos Energy, Suddenlink, Nortex, and multiple telephone companies.

In addition, the City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General, Debt Service, Municipal Golf Course, Water and Sewer, Solid Waste, Airport, Stormwater, Assigned Fund, and Hotel/Motel Tax funds are included in the annual appropriated budget. The City Manager is authorized to transfer budgeted amounts within and among departments, while the City Council through a budget amendment ratifies any transfers and/or amendments made by the City Manager if they result in a net increase in total appropriations.

To remain in compliance with legal provisions contained in the annual budget approved by the City Council, purchase orders are required to follow the City's adopted policies and procedures. Purchase orders that are under three thousand dollars (<\$3,000) are approved by the Department Directors, while those over three thousand dollars (>\$3,000) are approved by the City Manager. Any purchase over fifty thousand dollars (>\$50,000) must be approved by the City Council.

The City's accounting records for general governmental activities are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of an ordinance.

Departmental appropriations that have not been expended by the department at the end of the fiscal year lapse and are not available for use unless appropriated in the ensuing fiscal year's budget.

## **LOCAL ECONOMIC CONDITIONS AND OUTLOOK**

Gainesville is located approximately 60 miles north from the centers of both Dallas and Fort Worth and therefore is not considered as a typical suburban community. In fact, due to its location and size, Gainesville is considered a rural community. While many attributes contribute to this perception, the economic reality for Gainesville is that it has become an economic hub for the North Central Texas and Southern Oklahoma Regions. The northern city limits are approximately one (1) mile from the Red River and Oklahoma border. The population service area of forty miles is in excess of 465,000 people. As a result, Gainesville is the largest employment center between Ardmore, Oklahoma and Denton, Sherman, and Wichita Falls, Texas. Gainesville is the business, service, and retail center for its region. Fueling this growth is the fact that Gainesville is at the crossroads of Interstate 35, the nation's main north-south trade route that runs from Canada to Mexico, and US Highway 82, the major east/west corridor serving all of northern Texas from Texarkana to Amarillo. Gainesville's economic diversity ranges from being considered the capital of the world's quarter horse industry to manufacturing roofing materials. The City's municipal airport is home to one of the world's leading airplane seat manufacturers. The City of Gainesville's strategic location attracts business growth in service, distribution, and transportation. The extensive resources available to companies include the North Texas Medical Center, North Central Texas College, close proximity to three major universities, skilled labor, transportation, and infrastructure upgrades continue to prove beneficial for the City of Gainesville in recruiting businesses to join the City's appealing friendly environment.

Historically, unemployment in Gainesville has been lower than the state average (2.9% Gainesville vs. 3.5% Texas). The new business development and diversity of economy are the main reasons for this lower unemployment rate. Gainesville's diversified employment center is fueled by the gaming industry in Oklahoma and by an increasingly trained workforce in various industries, including oil, gas, plastic molding, metal fabricating, metal finishing, aerospace, and agriculture. The following are significant program, infrastructure, and business developments for fiscal year 2023-2024:

- A capital project to replace Fire Station 2 on the eastern side of the City was started in Fiscal Year 2023-2024. Upon completion of this project, the present site of the City's old station will be abandoned which will allow for the future construction of a new and larger Tom Thumb grocery store.
- New home residential construction continued during 2024. Specifically, the Liberty Pointe and Black Hill Farm subdivisions, as well as several private builders, acquired 60 single family new construction permits within the year.
- The City continued working with three separate apartment developers for large, high-density multifamily projects that could potentially result in a total of 1,342 new apartment units as the housing market allows.

- In the 2024 fiscal year, Camp Howze Development Partners, LLC has continued to acquire additional land for a planned industrial park that is located on a BNSF Certified Site for purposes of developing a site for rail served industries and a transload facility.
- Southern Tire Mart completed construction of a new retail location off of Highway I-35 at an estimated total value of \$5,500,000.
- Prosperity Bank completed the construction of a new banking facility in the downtown area at a projected value of \$2,500,000.
- Waffle House completed and opened a new restaurant location during the 2024 fiscal year.
- Twenty-five commercial remodeling permits were also issued during Fiscal Year 2023-2024 with work valued at approximately \$5.4 million.

## Ad Valorem Tax

The City is empowered to levy an Ad Valorem Tax on both real and business personal property located within its boundaries. The levy is set based on the Certified Tax Roll presented to the City by the Chief Tax Appraiser in July of each year. This is prior to settlement of any lawsuits which can take several months and can change the total assessed valuation. The tax levy is calculated at a 100% collection rate for Debt Service Fund and 97% for the General Fund.

### Allocation of Ad Valorem Taxes

The revenue to be received from current tax collections is distributed between the General Fund and Debt Service Fund according to the ratio for allocation that is set when the budget is adopted. Allocation of ad valorem tax revenues by purpose for fiscal year 2024 and the preceding four years is reflected in the following table. The amounts in the table are per one hundred dollars of assessed value.

Purpose	2024	2023	2022	2021	2020
General	0.429700	0.466600	0.497400	0.495200	0.479290
Debt Service	0.146300	0.157300	0.174700	0.192300	0.217000
<b>Total</b>	<b>0.576000</b>	<b>0.623900</b>	<b>0.672100</b>	<b>0.687500</b>	<b>0.696290</b>

For Fiscal Year 2024, the Net Taxable Value increased by approximately \$189,050,000 or 12.0% over the prior year.

### Long-term Financial Planning

In order to provide the City with pertinent data to make decisions for multi-year policy direction, master plans have been developed with the help of third-party consultants. The documents focus on City needs for fifteen or more years. These plans provide reasonable long-term objectives and realistic costs (at the time of the study), but the plans do not set practical methods for funding the improvements. In the 2021 fiscal year, Gainesville completed master plans for its water, sewer,

drainage, and street systems. The City also completed a study on impact fees during Fiscal Year 2021, which began implementation in the 2022 fiscal year.

Gainesville examines its debt schedule annually to determine when it can issue debt for the succeeding 20 years without increasing the tax rate. Currently, the City can issue a total of \$44.21 million (FY 2026 - \$6.05 million, FY 2028 - \$5.58 million, FY 2030 - \$7.78 million, FY 2032 - \$4.55 million, FY 2034 - \$4.36 million, FY 2036 - \$1.65 million, FY 2038 - \$3.55 million, FY 2040 - \$1.03 million, FY 2042 - \$6.81 million, and FY 2044 - \$2.85 million) in the next twenty years without increasing the tax rate to help reach its long-term goals. The City Council will not approve a bond that increases the tax rate without voter approval.

The City utilizes the master plans along with the debt schedule to create a five-year capital improvement program (CIP), which is fiscally constrained by the five-year budget. The CIP and five-year budget are used as planning tools and do not commit the City to any project or project funding. The intent of the CIP and five-year budget is for the City to prioritize specific capital improvements and the means of financing the improvements during the subsequent five years. Recommended improvements are not approved until official action has been taken by the City Council to authorize funding for the improvements through its annual budget process.

The CIP and five-year budget for fiscal years 2025-2029 were approved by the City Council and are included in the fiscal year 2025 budget document. The CIP identifies the estimated costs of proposed future capital projects and the anticipated method of funding for each project. The total five-year program identified \$78.48 million in total capital expenditures. The CIP breaks these expenditures into two separate categories: recurring at \$15.80 million or 20.13% and non-recurring at \$62.68 million or 79.87%.

## **Financial Policies**

The City is required by ordinance to maintain a ninety (90) day reserve. At the close of the 2024 fiscal year, the City had an operating cash reserve for the General Fund of approximately 195 days. Detailed financial policies are included as part of the City's budget document and in the City's ordinances.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gainesville for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. This was the thirty-second (32<sup>nd</sup>) year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a municipality must publish an easily readable and efficiently organized ACFR. This report satisfied 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 ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting its eligibility for another certificate.



In addition to the Certificate of Achievement, the City has also received GFOA's Distinguished Budget Presentation Award for the past thirteen years. In order to qualify for the award, the City's budget document was judged to be proficient in all categories including as a policy document, a financial plan, an operations guide, and a communications device. When submitted, we believe that the City's 2025 budget also meets the requirements to receive another award.

The preparation of the ACFR was made possible by the dedicated efforts of the entire staff of the City's Finance Department. Each member of the department is recognized for their tireless contribution to the completion of this report.

We also provide a special thank you to the Gainesville City Council for their leadership and support of sound fiscal management principles.

Sincerely,

*Barry Sullivan*

City Manager

*J. J. Johnson, CPA*

Finance Director

*Olajinrin Osasanya, CPA*

Controller



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Gainesville,  
Texas**

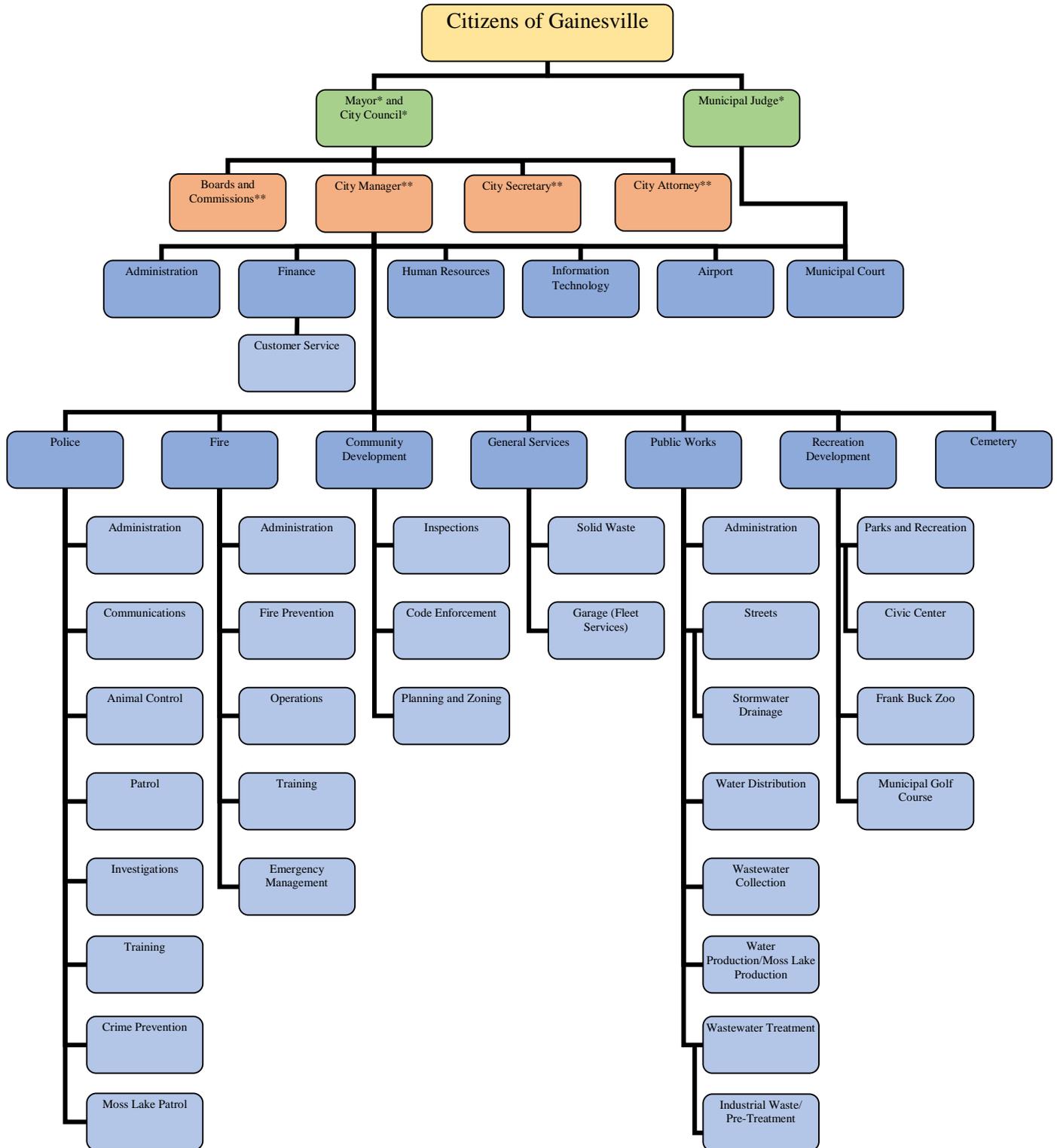
For its Annual Comprehensive  
Financial Report  
for the Fiscal Year Ended

**September 30, 2023**

*Christopher P. Morill*

Executive Director/CEO

# City of Gainesville, Texas Organizational Chart



# CITY OF GAINESVILLE, TEXAS

September 30, 2024

## LIST OF PRINCIPAL OFFICIALS

<b>Title</b>	<b>Name</b>
Mayor*	Tommy Moore
Council Member & Mayor Pro Tem*	Ken Keeler
Council Member*	Hayley Hughes
Council Member*	Dakota Nichols
Council Member*	Randy Jones
Council Member*	Mary Jo Dollars
Council Member*	Jeff Johnson
City Manager**	Barry L. Sullivan
City Secretary**	Diana Alcala
City Attorney**	Messer, Fort, & McDonald PLLC
Finance Director	J.I. Johnson
Police Chief	Kevin Phillips
Municipal Court Judge*	Chris Cypert
Fire Chief	Wayne Twiner
Director of Utilities	Allen McDonald
Community Services Director	Michael Doughty
Director of Human Resources	Leah Gore
Airport Manager	Brenton Porter

\* Denotes Elected Official

\*\* Denotes Appointed by City Council

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor  
and Members of City Council  
City of Gainesville, Texas

### Report on the Audit of the Financial Statements

#### Opinions

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

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

#### Basis for Opinions

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

#### Emphasis of Matter – Accounting Change

As described in the notes to the financial statements, in fiscal year 2024, the City of Gainesville, Texas adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. Our opinion is not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

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

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

#### OFFICE LOCATIONS

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

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

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

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

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

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

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

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gainesville, Texas’ basic financial statements. The combining and individual fund financial statements and schedules, introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2025, on our consideration of the City of Gainesville, Texas’ internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Gainesville, Texas’ internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Gainesville, Texas’ internal control over financial reporting and compliance.

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

Waco, Texas  
March 18, 2025

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**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Gainesville, Texas (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City, on a government-wide basis, exceeded its liabilities and deferred inflows as of September 30, 2024 by \$109,640,876 (net position). Of this amount, \$35,550,543 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$12,999,479. The governmental net position increased \$4,571,215; the business-type activities increased by \$8,428,264.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$44,452,064 (made up of \$10,826,636 in General Fund, \$7,193,938 in the Assigned Projects Fund, \$2,474,227 in 2022 CO Bond Fund, \$8,537,700 in the 2023 CO Bond Fund and \$15,509,563 other governmental funds), an increase of \$1,383,969 in comparison with the prior year.
- Per City ordinance, Gainesville keeps a minimum of 90 days of budgeted operating expenses on hand in the General Fund. Any cash in excess of this amount can be used for other projects. The total unassigned fund balance in the General Fund at the close of Fiscal Year 2024 was \$10,823,830 and of that amount \$10,050,181 is cash. This represents 195 days of recurring General Fund expenditures. The City met its revised ordinance with an increase in General Fund fund balance of \$2,140,395 and transferred an excess amount of \$3,007,371 into a variety of funds at year end.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The Statement of Activities presents information showing how the City's net position changed during the 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 time of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, community services, fleet and facility services, highways and streets, and public safety. The business-type activities of the City include the water and sewer system, solid waste, stormwater, municipal airport, and a golf course.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate economic development corporation. Financial information for this component unit is reported discretely in the government-wide financial statements.

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

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

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

The City maintains twenty-nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Assigned Projects Fund, 2022 CO Bond Fund, and the 2023 CO Bond Fund, all of which are considered to be major funds. Data from the other twenty-five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and certain budgetary schedules in this report. The basic governmental fund financial statements can be found immediately following this management’s discussion and analysis.

The City adopts an annual appropriated budget for its General Fund and several of the non-major governmental funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with the 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 enterprise funds to account for its water, solid waste, stormwater, municipal airport, and golf course activities. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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

**Other information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s progress in funding pension and OPEB benefits to its employees and the budgetary schedule of the General Fund and major special revenue funds.

The combining statements and other budgetary schedules referred to earlier in connection to the non-major governmental funds are presented immediately following the required supplementary information.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$109,640,876 at the close of the most recent fiscal year.

A portion of the City’s net position, \$68,982,297, or 63% of total net position, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related 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 capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net position, \$5,108,036 or 4% total net position, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$35,550,543 may be used to meet the City’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report position balances in all categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

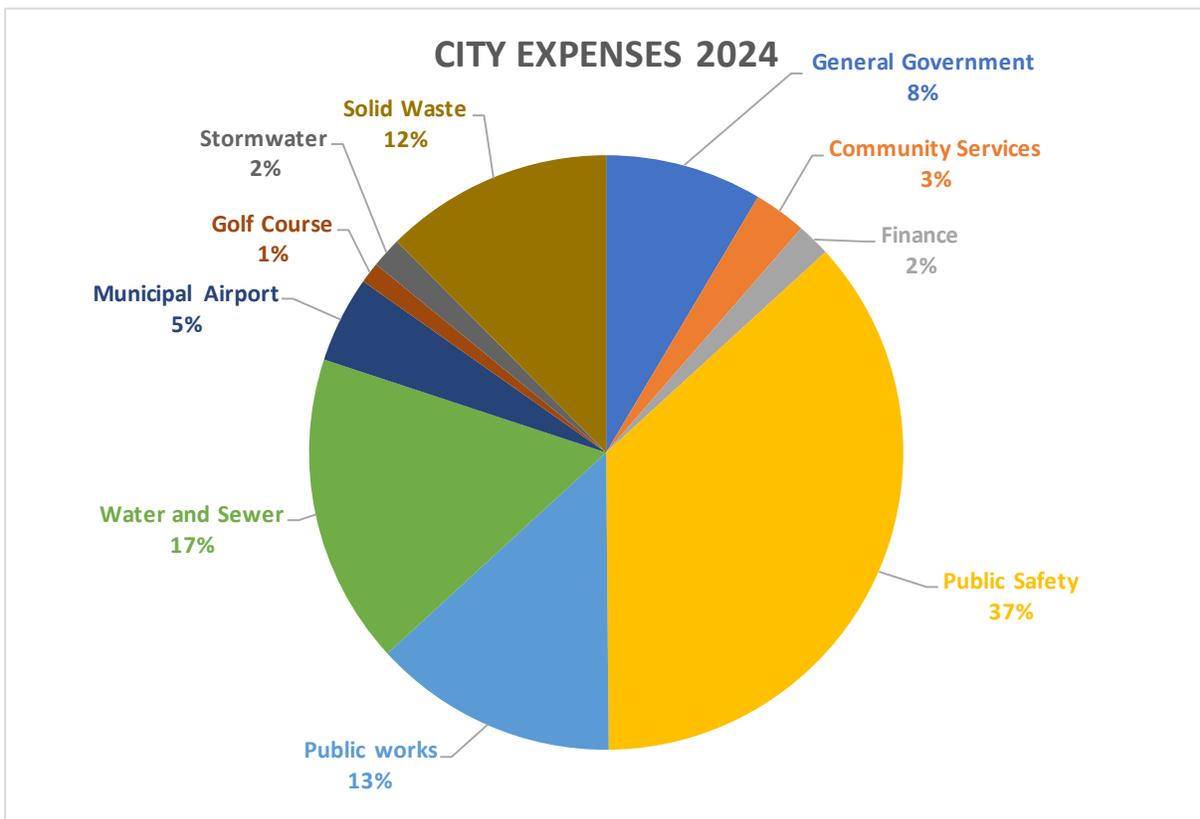
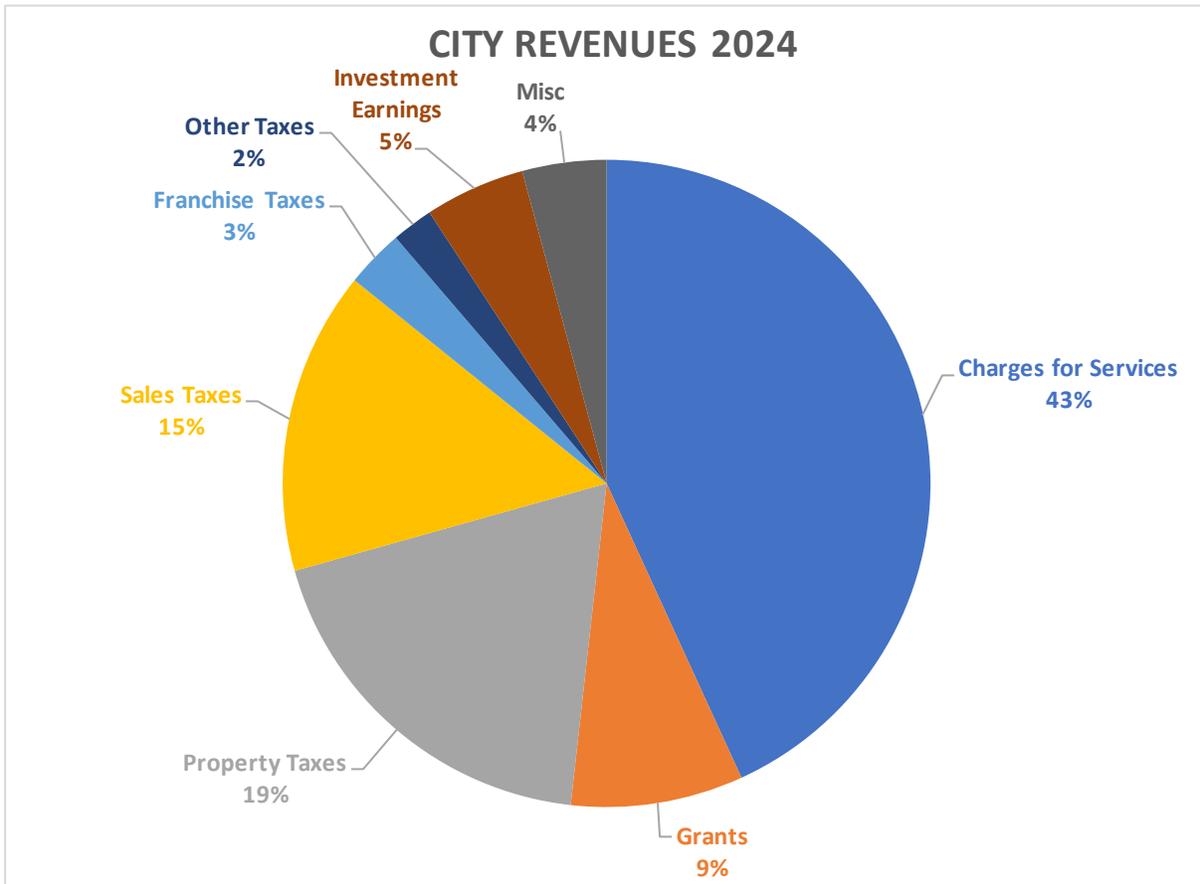
**CITY OF GAINESVILLE'S NET POSITION  
Government-Wide**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 50,487,690	\$ 48,424,971	\$ 17,710,903	\$ 14,995,856	\$ 68,198,593	\$ 63,420,827
Capital assets	<u>42,327,752</u>	<u>33,517,347</u>	<u>73,075,236</u>	<u>68,013,585</u>	<u>115,402,988</u>	<u>101,530,932</u>
Total assets	<u>92,815,442</u>	<u>81,942,318</u>	<u>90,786,139</u>	<u>83,009,441</u>	<u>183,601,581</u>	<u>164,951,759</u>
Total deferred outflows of resources	<u>2,918,057</u>	<u>4,544,969</u>	<u>784,462</u>	<u>1,206,660</u>	<u>3,702,519</u>	<u>5,751,629</u>
Long-term liabilities	29,540,822	25,527,969	41,392,245	42,532,974	70,933,067	68,060,943
Other liabilities	<u>4,903,313</u>	<u>4,182,597</u>	<u>1,253,746</u>	<u>1,240,605</u>	<u>6,157,059</u>	<u>5,423,202</u>
Total liabilities	<u>34,444,135</u>	<u>29,710,566</u>	<u>42,645,991</u>	<u>43,773,579</u>	<u>77,090,126</u>	<u>73,484,145</u>
Total deferred inflows of resources	<u>458,689</u>	<u>241,411</u>	<u>114,409</u>	<u>60,585</u>	<u>573,098</u>	<u>301,996</u>
Net position:						
Net investment in capital assets	34,745,979	32,222,234	34,236,318	29,492,448	68,982,297	61,714,682
Restricted	5,108,036	5,475,012	-	-	5,108,036	5,475,012
Assigned	-	-	-	-	-	-
Unrestricted	<u>20,976,660</u>	<u>18,838,064</u>	<u>14,573,883</u>	<u>10,889,489</u>	<u>35,550,543</u>	<u>29,727,553</u>
Total net position	<u>\$ 60,830,675</u>	<u>\$ 56,535,310</u>	<u>\$ 48,810,201</u>	<u>\$ 40,381,937</u>	<u>\$ 109,640,876</u>	<u>\$ 96,917,247</u>

**CITY OF GAINESVILLE'S CHANGES IN NET POSITION  
Government-Wide**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 2,563,894	\$ 2,423,275	\$ 20,220,242	\$ 18,117,055	\$ 22,784,136	\$ 20,540,330
Operating grants & contributions	2,127,979	868,803	2,412,129	3,043,452	4,540,108	3,912,255
Capital grants & contributions	1,769,682	-	-	-	1,769,682	-
General revenues:						
Property taxes	9,963,691	9,602,325	-	-	9,963,691	9,602,325
Sales taxes	8,002,467	8,542,948	-	-	8,002,467	8,542,948
Franchise taxes	1,537,028	1,443,328	-	-	1,537,028	1,443,328
Other taxes	1,093,701	1,091,625	-	-	1,093,701	1,091,625
Investment earnings	1,968,444	1,899,212	673,954	524,249	2,642,398	2,423,461
Miscellaneous	1,375,515	1,706,963	798,079	1,096,661	2,173,594	2,803,624
Proceeds on sale of fixed assets	<u>45,028</u>	-	-	-	<u>45,028</u>	-
Total revenues	<u>30,447,429</u>	<u>27,578,479</u>	<u>24,104,404</u>	<u>22,781,417</u>	<u>54,551,833</u>	<u>50,359,896</u>
Expenses:						
General government	3,107,576	2,676,396	-	-	3,107,576	2,676,396
Community services	1,182,840	532,066	-	-	1,182,840	532,066
Finance	753,606	684,628	-	-	753,606	684,628
Public safety	15,135,143	10,928,475	-	-	15,135,143	10,928,475
Public works	5,498,314	4,933,701	-	-	5,498,314	4,933,701
Additional Payments on pension liability	250,000	850,000	-	-	250,000	850,000
Interest on long-term debt	416,323	531,333	-	-	416,323	531,333
Water and sewer	-	-	6,973,184	6,608,529	6,973,184	6,608,529
Municipal airport	-	-	1,943,174	1,646,827	1,943,174	1,646,827
Golf course	-	-	471,526	426,282	471,526	426,282
Stormwater	-	-	681,682	696,763	681,682	696,763
Solid waste	-	-	<u>5,138,986</u>	<u>4,340,289</u>	<u>5,138,986</u>	<u>4,340,289</u>
Total expenses	<u>26,343,802</u>	<u>21,136,599</u>	<u>15,208,552</u>	<u>13,718,690</u>	<u>41,552,354</u>	<u>34,855,289</u>
Increase in net position before transfers	<u>4,103,627</u>	<u>6,441,880</u>	<u>8,895,852</u>	<u>9,062,727</u>	<u>12,999,479</u>	<u>15,504,607</u>
Transfers	<u>467,588</u>	<u>10,519,844</u>	<u>(467,588)</u>	<u>(10,519,844)</u>	-	-
Change in net position	4,571,215	16,961,724	8,428,264	(1,457,117)	12,999,479	15,504,607
Net position - beginning of year	56,535,310	43,583,275	40,381,937	41,839,054	96,917,247	85,422,329
Prior period adjustment	<u>(275,850)</u>	<u>(4,009,689)</u>	-	-	<u>(275,850)</u>	<u>(4,009,689)</u>
Net position - end of year	<u>\$ 60,830,675</u>	<u>\$ 56,535,310</u>	<u>\$ 48,810,201</u>	<u>\$ 40,381,937</u>	<u>\$ 109,640,876</u>	<u>\$ 96,917,247</u>

The following graphs provide a summary of the operations for the year ended September 30, 2024:



The following key elements influenced the changes in net position from the prior year:

Revenues for FY 2023-2024 increased by \$4,191,937, or 8.3% in comparison to the prior year. The increase is primarily due to increases in property taxes, charges for services, operating grants and contributions and capital grants and contributions. Water and sewer charges for services increased by \$2,103,187 over the prior year due to the growth within the City and increased usage of services. The city has experienced significant growth in population over the last few years and is increasingly attracting businesses. The city continues to look for investment and grant opportunities to facilitate future growth.

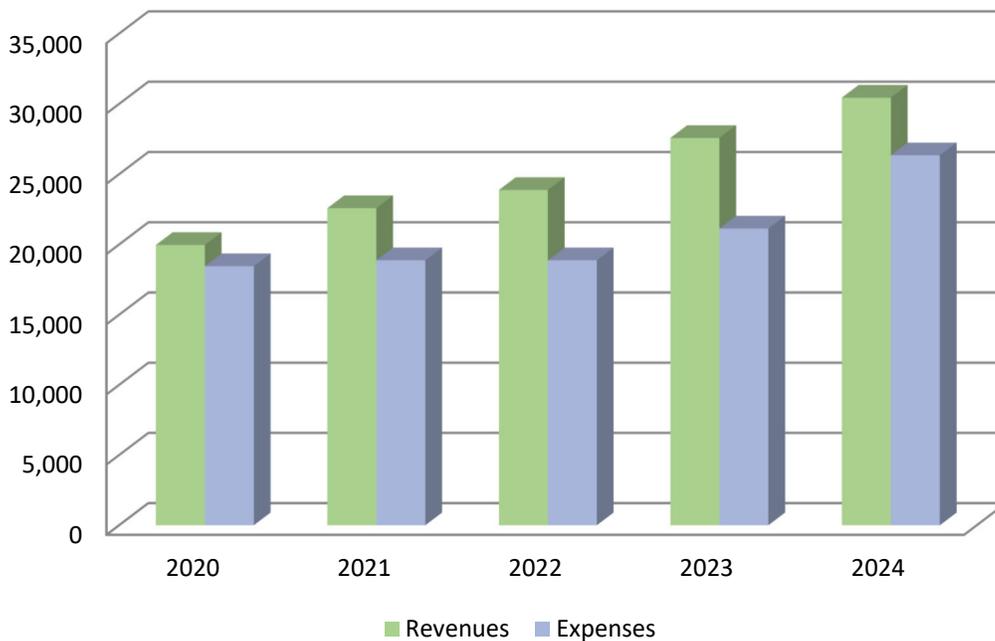
**Governmental Activities**

Governmental activities increased the City’s net position by \$4,571,215. The following factors contributed to this change:

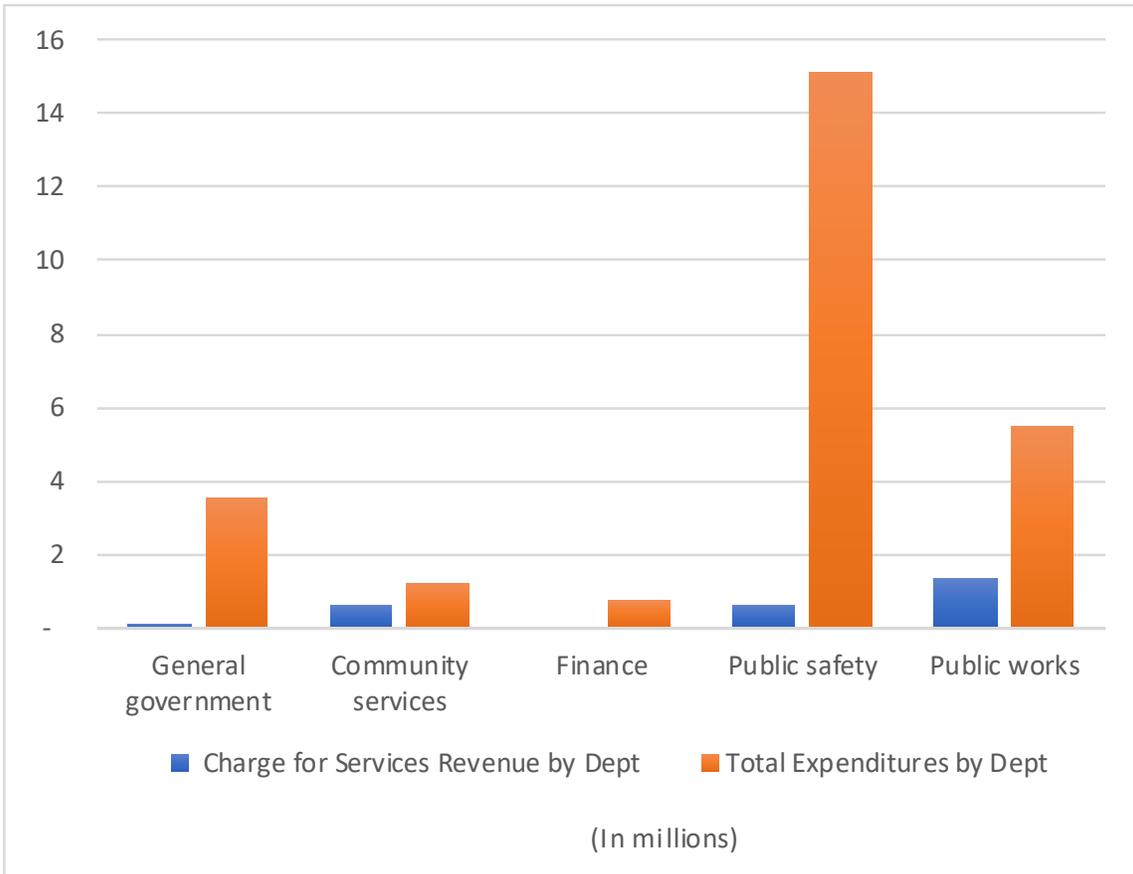
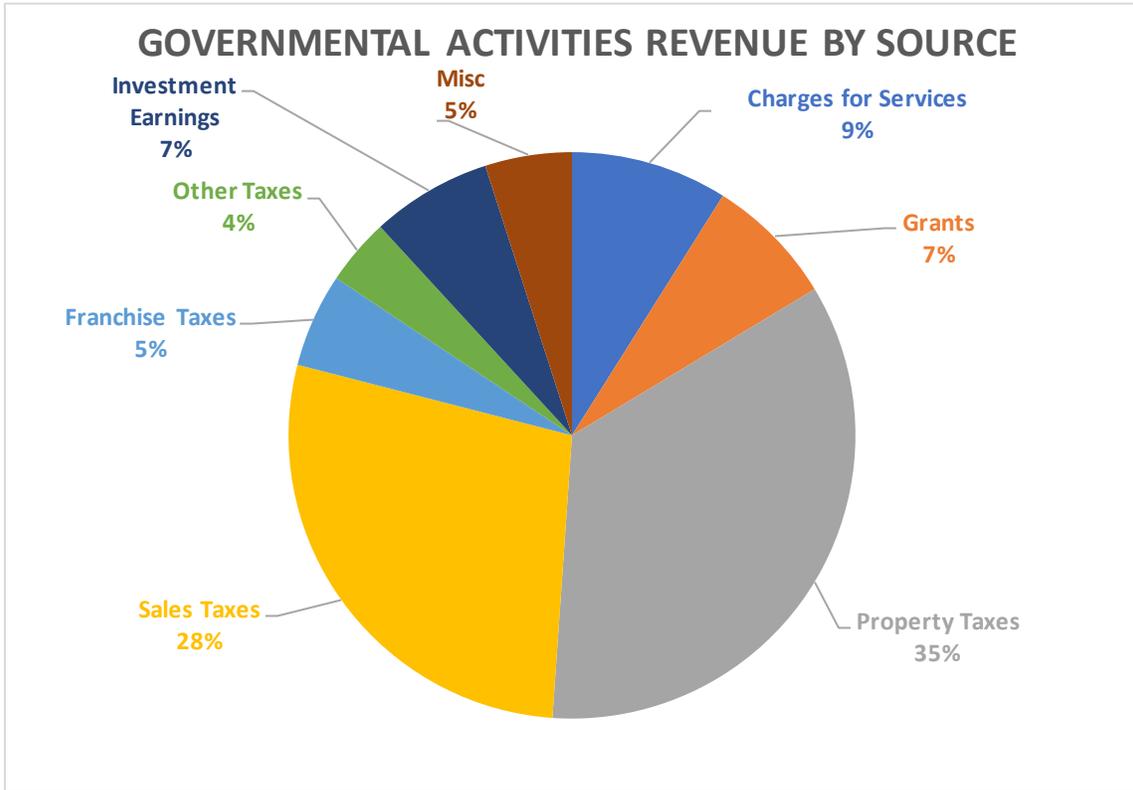
- Property taxes increase by \$361,366, or 4% primarily due to increases in property values and as well as the base population of individual homes and businesses.
- Operating grants and contributions increased by \$1,259,176, and capital grants and contributions increased \$1,769,682 primarily due to increased federal funding opportunities.
- Total governmental activity expenses increased by \$5,207,203 or 25%, during the year primarily due to the overall growth that the City has experienced. The largest functional areas affected by this growth was community services with an increase of \$650,774 and public safety, which increased by \$4,206,668.

The following graph depicts the five-year history of the expenses and revenues of the City’s governmental activities:

**Five Year History**  
(In Thousands)



The following graphs depict current year revenues and expenses of governmental activities by source:



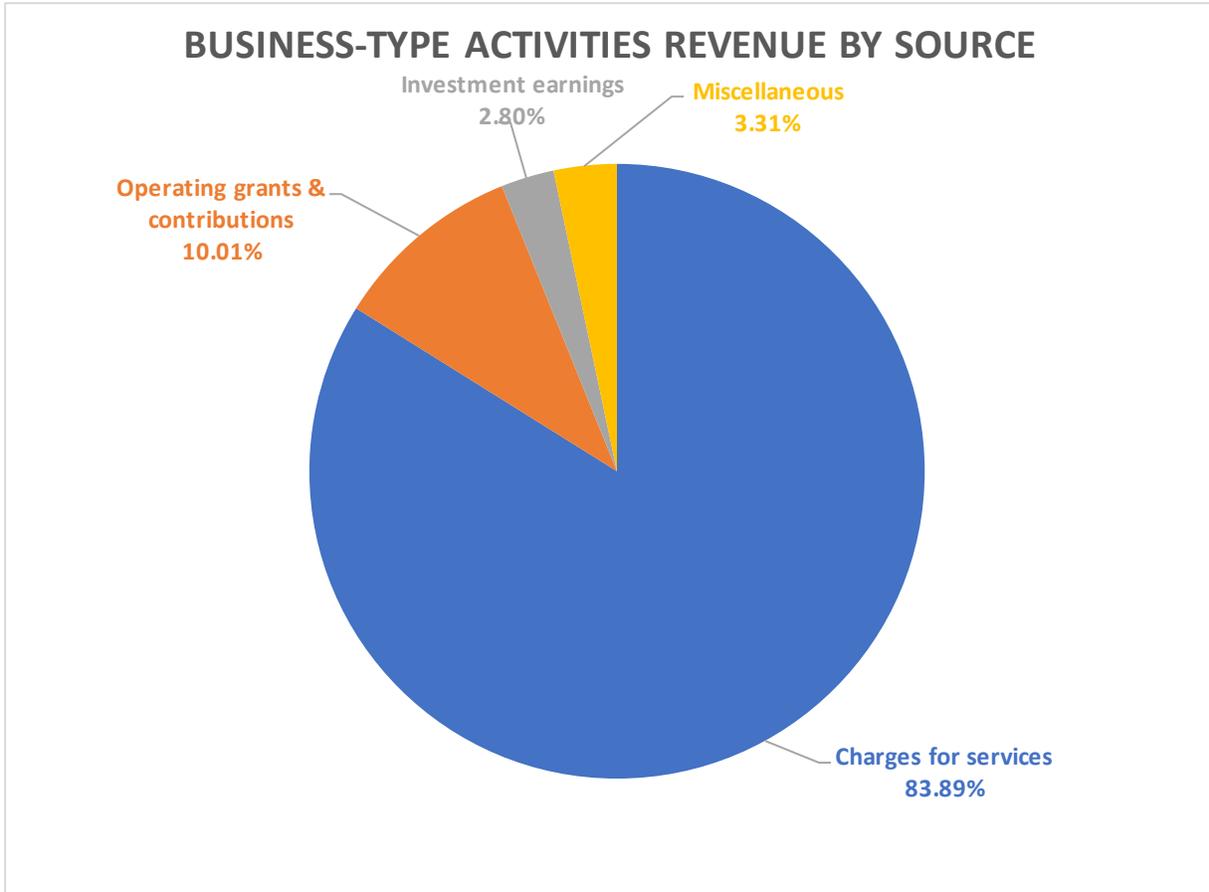
**Business-Type Activities**

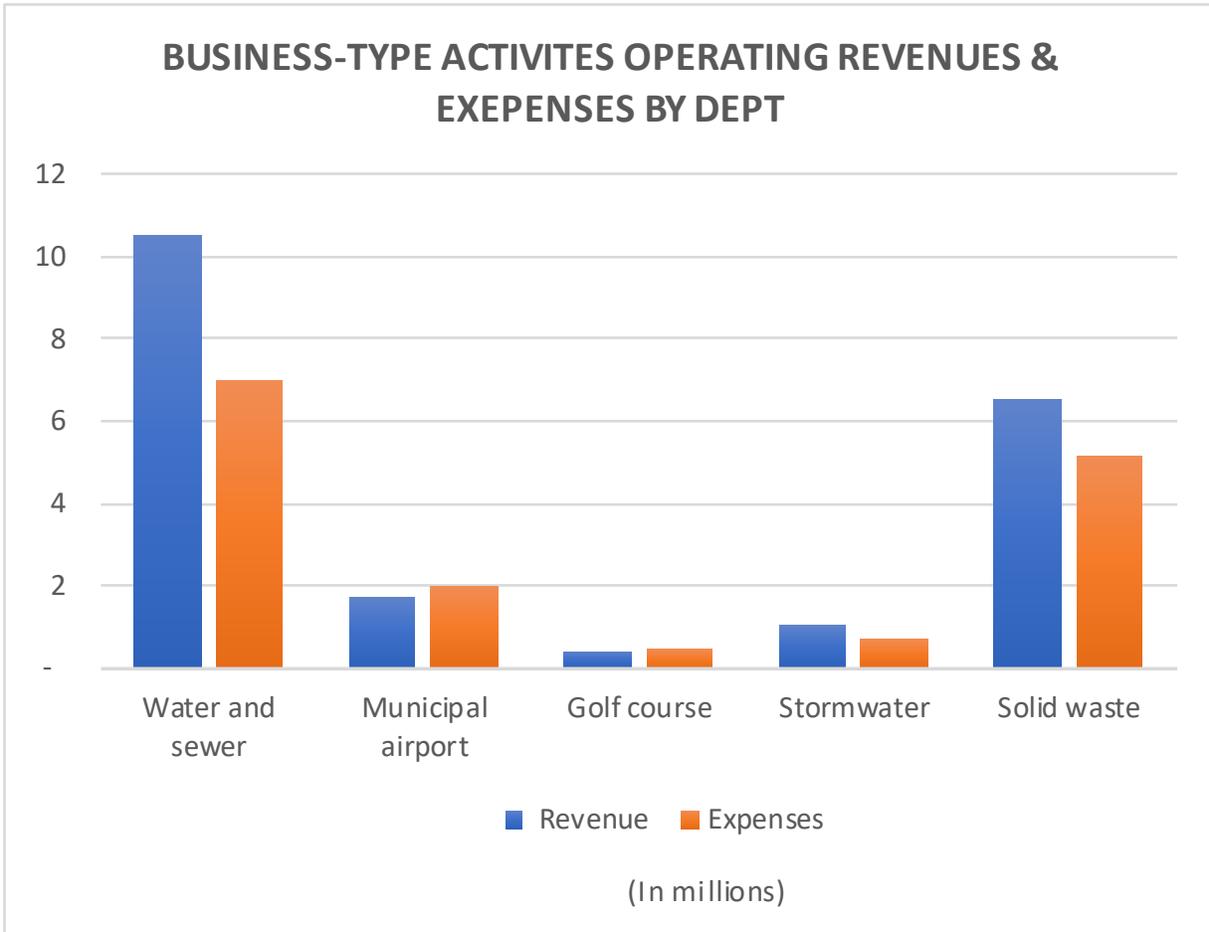
Business-type activities increased the City’s net position by \$8,428,264. The following factors contributed to this change:

- Total revenues of the business-type activities increased by \$1,322,987 from the previous year. The largest contribution to this increase is due to an increase in charge for services.
- Charges for services increased by \$2,103,187 from the previous year due to an increase in water and sewer charges for service and increases in usage. Water and sewer expenses increased \$364,655 from the previous year due to increased maintenance costs, partially offset by a decrease in the amount paid on the City’s pension liability.
- Total operating revenues of the Solid Waste Fund increased \$905,671 compared to the prior year primarily due to increases in solid waste residential revenues; fees charged for small containers, extra pick-up and delivery fees; and roll-off/compactor pick-up fees.
- Total operating revenues of the Stormwater Fund increased by \$61,803 as the result of an increase in charges for services from the previous year.
- The Municipal Airport Fund’s operating revenues increased by \$144,037 due to increased fuel sales.
- Total operating revenues at the golf course increased by \$33,891 primarily as the result of increased play.

As a result of the revenue and expense changes described above, three of the five of the City’s proprietary funds experienced increases in their respective net positions during the 2024 fiscal year. The net position of the Water and Sewer Fund increased by \$6,480,981. The net position of the Municipal Airport Fund decreased \$146,657. The Solid Waste Fund’s net position increased \$883,530. The Stormwater Fund’s net position increased \$1,256,518, and the net position of the Golf Fund decreased by \$46,108.

The following graphs depict current year revenues and expenses of business-type activities by source:





**FINANCIAL ANALYSIS OF THE CITY’S FUNDS**

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

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

At the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$44,542,064, an increase of \$1,383,969 from the prior year. Most of the increase is due to continued growth and the City’s 2024 debt issuance in the amount of \$4 million. Of the current combined ending fund balance, \$1,911,273 is nonspendable due to inventory and the cemetery, \$14,333,165 is restricted for debt service, construction, grants, tourism and other city services, \$17,581,781 is assigned, and \$10,715,845 is unassigned.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,823,830. Total fund balance of \$10,826,636 represents 195 days of total General Fund expenditures. The increase in fund balance is primarily due to growth in sales tax receipts.

The Assigned Projects Fund has a total fund balance of \$7,193,938; all of which is assigned for future projects. The change in fund balance is a decrease of \$967,640, primarily due to a transfer out of \$1,817,387 to various non-major capital projects funds.

The 2022 CO Bonds Fund has a total fund balance of \$2,474,227, which is entirely restricted for construction. This capital projects fund had a decrease in fund balance of \$4,339,515, as the capital project is currently under construction and the assets acquired through the bond issue are utilized.

The 2023 CO Bonds Fund has a total fund balance of \$8,537,700, which is entirely restricted for construction. This capital projects fund had a decrease in fund balance of \$10,476, as the capital project is currently under construction and the assets acquired through the bond issue are utilized.

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

The unrestricted net position of the Water and Sewer Fund is \$8,698,897; the Solid Waste Fund is \$3,436,719; Stormwater Utility Fund is \$1,568,443; Municipal Airport Fund is \$990,489; and the Golf Course Fund has an unrestricted net position of (\$120,755).

Business-type activities increased the City’s net position by \$8,428,264. As noted previously, three out of the five of the City’s proprietary funds saw an increase in net position for the 2024 fiscal year. Following are the key elements of these increases/decreases:

- The Water and Sewer Fund had an increase in net position of \$6,480,981, primarily resulting from the fund’s operating income exceeding operating expenses by \$4,951,926. Water and Sewer’s net investment in capital assets increased by \$4,378,459 due to the City’s ongoing infrastructure improvements and, additionally, due to infrastructure assets donated to the City in connection with a new residential subdivision, Liberty Pointe.
- The Solid Waste Fund increased its net position by \$883,530. Solid Waste also experienced a slight decrease of \$185,473 in net investment in capital assets primarily due to depreciation.
- The Stormwater Fund experienced an increase in net position of \$1,256,518, and its net investment in capital assets increased by \$792,388. A significant portion of the increase in net investment in capital assets was the result of the aforementioned infrastructure donated as part of the new Liberty Pointe subdivision
- Net position of the City’s municipal airport decreased by \$146,657 as a result of the decrease in its grant revenue from the completion Airport Improvements Runway project.
- The Golf Course Fund’s operating revenues increased slightly over the prior year; its total net position decreased slightly by \$46,108. The chief reason for this small decrease was the increase in operating expenses coupled with less transfers made from the City’s General Fund.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

For fiscal year 2024, the City budgeted an overall increase in the fund balance of the General Fund of \$1,872,760. During the year, however, actual General Fund revenues exceeded projections by \$1,726,041 and expenditures \$617,801 were less than what was budgeted.

Of the revenues in the General Fund, those that contributed significant increases over the projected budget was the city sales tax \$631,917 and franchise taxes of \$316,028 along with intergovernmental revenues consisting of the ARPA grant funds of \$712,489.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets** – The City’s investment in capital assets for its governmental and business-type activities as of September 30, 2024 is \$115,402,988 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture and fixtures, vehicles, equipment, infrastructure, facilities, and right to use equipment.

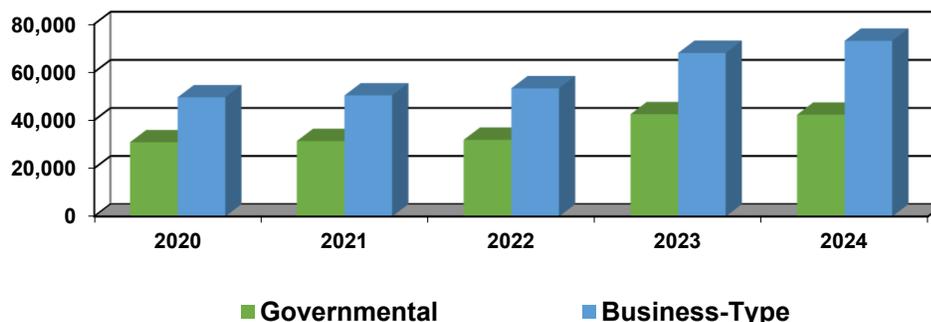
Major capital asset events during the current fiscal year included the following:

- The City’s project to expand and complete the Solid Waste transfer station was completed at a total cost of slightly over \$5.31 million.
- A project to expand and renovate the City’s Civic Center continued forward in Fiscal Year 2024. The total capitalized balance of the project as of September 30, 2024 was \$2,895,651.
- A project at the City’s Wastewater Treatment Plant for UV disinfection was completed during the 2024 fiscal year at a total cost of \$1,840,459.

- As part of the City’s Street and Utility Maintenance Program (SUMP), a reconstruction project of Field Street that had begun in a prior year was completed at a total cost of approximately \$1.35 million.
- A capital project to replace Fire Station 2 on the eastern side of the City was started in Fiscal Year 2023-2024. Cumulative cost of the project at September 30, 2024 was approximately \$1.49 million.
- An upgrade of the two-way trunked radio system utilized by the City’s Public Services personnel had total capitalized costs of \$1,237,525 at the end of the 2024 fiscal year.
- The Water and Sewer Fund spent slightly less than \$300,000 at the Moss Lake treatment facility for the replacement of filter media.
- The Water Distribution Division of the Water and Sewer Fund spent slightly over \$288,000 for meters, hydrants, and other equipment in the current 2024 fiscal year.
- The Solid Waste Fund spent slightly more than \$466,000 on capital equipment, metal refuse containers, and carts in the 2024 fiscal year.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Government-wide capital assets:						
Land	\$ 5,937,493	\$ 5,187,046	\$ 8,120,531	\$ 7,720,918	\$ 14,058,024	\$ 12,907,964
Water Storage Rights	-	-	4,324,619	4,324,619	4,324,619	4,324,619
Buildings	12,464,389	12,464,389	24,121,624	18,806,029	36,586,013	31,270,418
Improvements	102,979,381	100,178,700	43,863,774	41,364,490	146,843,155	141,543,190
Motorized Vehicles	8,371,794	8,105,409	8,126,088	7,818,315	16,497,882	15,923,724
Machinery & Equipment	4,289,302	11,880,028	5,972,622	4,993,531	10,261,924	16,873,559
Office Equip, Furniture & Fixture	902,430	902,430	363,685	363,685	1,266,115	1,266,115
Plant in Service Water	-	-	15,725,730	15,524,788	15,725,730	15,524,788
Plant in Service Sewer	-	-	6,435,273	6,775,773	6,435,273	6,775,773
Construction in progress	6,421,351	1,362,824	5,005,059	7,033,574	11,426,410	8,396,398
Total capital assets	<u>141,366,140</u>	<u>140,080,826</u>	<u>122,059,005</u>	<u>114,725,722</u>	<u>263,425,145</u>	<u>254,806,548</u>
Less: accumulated depreciation	<u>(99,038,388)</u>	<u>(97,555,640)</u>	<u>(48,983,769)</u>	<u>(46,712,137)</u>	<u>(148,022,157)</u>	<u>(144,267,777)</u>
Government-wide capital assets, net	<u>\$ 42,327,752</u>	<u>\$ 42,525,186</u>	<u>\$ 73,075,236</u>	<u>\$ 68,013,585</u>	<u>\$ 115,402,988</u>	<u>\$ 110,538,771</u>

**Capital Assets (net)  
Five Year History  
(in thousands)**



Additional information on the City’s capital assets can be found on pages 43-45 of the notes to the financial statements.

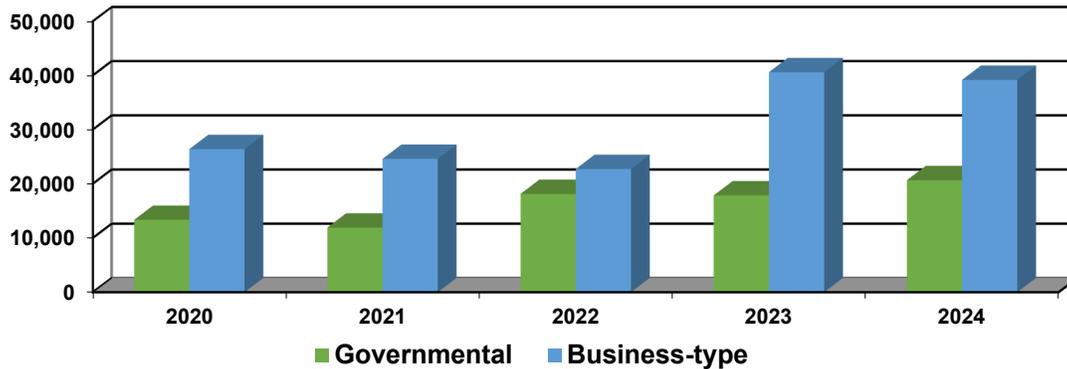
**Long-term liabilities** – At the end of the current fiscal year, the City had long-term liabilities outstanding of \$59,847,732. Of this amount, \$20,668,461 is in the City’s governmental activities and \$39,179,271 is in business-type activities.

During fiscal year 2024, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2024, in the amount of \$4,230,000. The bond carries an interest rate between 4% and 5% and will mature in July 2044. Proceeds from the bonds will be used for acquiring, construction, improvements and land acquisition for the City’s various infrastructure projects, including the water and sewer system.

Total long-term liabilities consisted of the following:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Long-term liabilities:						
General obligation bonds	\$ 4,334,144	\$ 5,048,686	\$ 5,705,648	\$ 6,436,111	\$ 10,039,792	\$ 11,484,797
Certificates of obligation	13,363,389	10,792,490	22,986,609	22,942,509	36,349,998	33,734,999
Contract revenue bonds	-	-	7,955,560	8,730,040	7,955,560	8,730,040
Premium on bonds	1,237,427	1,044,756	1,560,959	1,572,784	2,798,386	2,617,540
Arbitrage liability	618,160	-	-	-	618,160	-
Postclosure Landfill	-	-	830,234	801,899	830,234	801,899
Compensated absences	<u>1,115,341</u>	<u>985,232</u>	<u>140,261</u>	<u>128,025</u>	<u>1,255,602</u>	<u>1,113,257</u>
Total long-term liabilities	<u>\$ 20,668,461</u>	<u>\$ 17,871,164</u>	<u>\$ 39,179,271</u>	<u>\$ 40,611,368</u>	<u>\$ 59,847,732</u>	<u>\$ 58,482,532</u>

**Outstanding Debt  
Five Year History  
(in thousands)**



Additional information on the City’s long-term liabilities can be found on pages 46-50 in the notes to the financial statements.

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

The continued focus of the City of Gainesville is to maintain unassigned fund balances that match the City’s established requirements and goals. Gainesville has been able to do this over the past several years, which has allowed the City to start refocusing more attention to capital improvements using excess cash instead of debt. The Fiscal Year 2025 budget will utilize the Assigned Projects Fund to pay \$1,030,000 in street and utilities capital maintenance costs. Additionally, \$2,255,000 has been budgeted in this same Assigned Projects Fund to pay down the City’s unfunded pension liability in the 2025 fiscal year.

The City’s demolition program continues to create open space for additional commercial and residential infill development. In Fiscal Year 2024, forty-one (41) substandard structures were demolished and removed while six (6) other substandard buildings were rehabilitated to safe, viable housing stock. Twenty-six (26) new construction permits were issued during the 2024 fiscal year on infill lots out of a total of sixty-one (61) new residential construction permits. Including demolitions prior to 2024, a total of fifty-seven (57) new construction permits have now been issued on infill lots. New and remodeled homes constructed within established neighborhoods modernize residential areas and raise overall property tax values.

New residential construction in Black Hill Farms Phase II continued during Fiscal Year 2024 with ten (10) new residential construction permits issued. Additionally, Riverside Lackland Holdings continued development of the Liberty Pointe housing subdivision with twenty-one (21) additional new construction permits. Black Hill Farms and Liberty Pointe, together with several other private builders, acquired a total of sixty (60) single-family construction permits during 2024.

In 2024, Phase I of Rock Creek Apartments broke ground. Phase I consists of four buildings and 168 units with an estimated value of over \$40 million. Preconstruction permits were also issued to Northpark Apartment Homes, which will be a 222-unit complex with a projected value of \$45 million.

Patriot Holdings completed two new multi-family quadraplex units in 2024 with plans for three additional units in the future. Additionally, one private quadraplex was also permitted in 2024. These three units have a total estimated value of \$1,540,000.

In the 2024 fiscal year, Camp Howze Development Partners, LLC continued to acquire additional property for a planned industrial park located on a BNSF Certified Site for purposes of developing an industrial park for rail-served industries and a transload facility. The site has been annexed into the taxing jurisdiction of the City, and, upon completion, the industrial park is expected to bring approximately 500 jobs and at least \$200 million in taxable value to the City. Moreover, there is an additional agreement in place for annexation of other land that will be acquired by Camp Howze Development Partners, LLC.

In addition to the above, the City's commercial development has continued to grow and reflects an economy that has added diversified sectors to the overall economy of the municipality. This is further exemplified by the following projects:

- Prosperity Bank completed construction of a new banking facility in downtown Gainesville on the site of a previous banking structure (\$2,500,000).
- Southern Tire Mart completed construction of a new retail location off Highway I-35 (\$5,500,000).
- Several other retail or commercial projects were completed and opened during the 2024 fiscal year including Waffle House, Landon Winery, DFW Pain Institute, and Heal 360 Medical Facility.
- Twenty-five (25) commercial remodel permits were issued during the period with total work valued at approximately \$5.4 million.
- Several commercial remodeling projects were completed including the QuikTrip kitchen project, the Butterfield Stage Playhouse addition, Trident Process Systems additions, and others.
- A proposed commercial development project of the near-term future includes the additions of an Aldi grocery store, a McDonald's restaurant, and a 7-Eleven convenience store at the intersection of Highway 82 and Grand Avenue in Gainesville.

The City of Gainesville expects growth to continue in the upcoming 2025 year and beyond. With the ongoing widening project of Interstate 35, the location of Winstar Casino a few miles north of the City in Oklahoma, and the ever-expanding Dallas-Fort Worth Metroplex, Gainesville is poised to provide a great location for an influx of both residential and commercial growth.

### General Fund

A major revenue source for the General Fund will continue to be the City's 1.25-cent sales tax. The City's approach to budgeting for this revenue has been historically conservative due to the unpredictability of sales tax revenues in general, and especially in consideration of the economic volatility of the oil and gas industry. In the City's Fiscal Year 2025 budget, the City has projected to collect \$6,660,000 in sales taxes, net of sales tax rebates. This amount is \$520,418 or 7.2% less than the final budgeted sales tax revenues for the most recently completed 2024 fiscal year. It should be noted that the City remains in the process of repaying sales taxes it had received in error during the period from 2015 through to 2018 back to the Texas State Comptroller. The original amount of the sales tax error totaled \$731,445, and the amount yet to be repaid as of the close of 2024 was approximately \$241,000. Despite the repayment amounts made in 2024, the City's actual sales tax revenues for the 2024 fiscal year exceeded its final budget by \$631,917 or 8.6%.

The other largest revenue source for the General Fund is ad valorem (property) taxes. For the upcoming fiscal year, the City decreased its property tax rate from \$0.5760 to \$0.5357 per \$100 of appraised property value. Despite this rate decrease, total ad valorem tax revenue (including delinquent penalties) in the General Fund is projected to increase over the prior year's final budget by \$353,063 or 4.7% as the result of continuing appreciation in property values and ongoing new construction. Total ad valorem tax revenue (including delinquent penalties) is projected to be \$10,254,652. This total is divided between the General Fund (\$7,811,608) and the Debt Service Fund (\$2,443,044).

## Enterprise Funds

The City's enterprise funds are Water and Sewer, Solid Waste, Stormwater Drainage Utility, the Municipal Airport, and Golf. In total, revenues for the City's enterprise funds are projected to increase for Fiscal Year 2025 in comparison to the 2024 originally adopted budget by \$731,003 or 3.7%. Additional information on each of the enterprise funds is presented in the following paragraphs.

### Water and Sewer Fund

The new 2025 fiscal year revenues for the Water and Sewer Fund are budgeted to be \$10,643,780, or an increase of \$348,414 or 3.4% over the City's original budget of the 2024 fiscal year. Total transfers of \$1,478,737 are projected to be made to the General Fund to pay for administrative services and also to pay the franchise fee for use of the City's right-of-way, which is required for all utility services located within the City and which is required by the City Code.

Expenses are budgeted to increase over the City's final budget for 2024 by \$2,456,490 or 23.7% in Fiscal Year 2025, with increases projected for most divisions within the fund. It should be noted that the great majority of this budgeted increase in expenses is due to purchases of capitalized equipment approximating \$2.5 million. Fees charged to customers for Water and Sewer services will be increased by 3% for the upcoming 2025 fiscal year.

### Solid Waste Fund

Revenues for the Solid Waste Fund have been budgeted to increase from the prior year's adopted budget by \$314,470 or 5.5%. Expenses are expected to increase by \$329,920 or 5.2% over the final budget for Fiscal Year 2024 primarily due to increases in machinery and equipment costs. Fees for this fund will increase by 4% in Fiscal Year 2025.

### Airport Fund

The Municipal Airport's revenues for the new 2025 fiscal year are budgeted to increase by \$39,805 or 2.0% over the prior year's originally adopted budget. The Municipal Airport's largest revenue source is fuel sales, which have been budgeted at \$1,536,000 for Fiscal Year 2025. For the recently completed 2024 fiscal year, fuel sales totaled \$1,490,130. As a result, this budget increase of \$45,870 or 3.1% more than accounts for the fund's overall projected increase in revenue.

### Other Funds

Stormwater Drainage's revenues for the upcoming 2025 fiscal year are budgeted to decrease slightly by \$14,500 or 1.0% in comparison to the City's 2024 final budget. The Golf Fund's revenues are budgeted to increase by \$25,813 or 5.7% compared to the final budget for Fiscal Year 2024. Total expenses for both funds are projected to increase in the new fiscal year when compared to the 2024 final budget. Expenses for the Stormwater Drainage Utility Fund are budgeted for an increase of \$55,338 or 3.8%, while expenses for the Golf Fund are projected to increase by \$31,294 or 7.1%. The more significant factors in these expense increases are an increase in capital expenditures for Stormwater Drainage totaling \$29,500 and an increase in capital expenditures for the Golf Fund of \$10,000.

### Additional Information

The Fiscal Year 2025 budget includes personnel "pay-for-performance" programs. Gainesville's compensation plan is designed to accomplish two goals – (1) to compensate employees in direct relation to the value of their position on the external competitive market; and (2) to compensate employees based upon their individual job contributions to the City.

The 2025 budget also includes a 13.42% match for employee retirement contributions, which is an increase of sixteen (16) basis points or 1.2%, over the Fiscal Year 2024 rate. This contribution increase will fund the City's match for employee retirement contributions with the Texas Municipal Retirement System (TMRS) that had been increased from 6% to 7% beginning in 2024.

All departments in the City continue to keep expenses to a minimum and maintain the highest level of safety, service, and recreation for the citizens of Gainesville.

Per the City's current capital improvement program, capital projects for Fiscal Years 2025-2029 are projected to be \$78.48 million. Of this amount, recurring capital projects funded from the City's annual operating budgets total \$15.80 million. Nonrecurring projects amounting to \$62.68 million will be covered by debt service funds, long-term contracts, and project funds established from previous budgets. Among the capital expenditures included in the City's operating budget for Fiscal Year 2025 are the following:

- The Water and Sewer Fund is projecting to spend a total of \$1,684,500 for the purchase of automated water meters, mains, and hydrants.
- The Police Department has budgeted \$130,605 for the purchase of a new animal control unit and a CID vehicle. Additionally, in the Assigned Fund, two additional Police patrol units have been budgeted at a cost of \$87,000.
- An additional \$346,500 has been budgeted for the Police Department from the Assigned Fund for a properly ventilated indoor firing range facility.
- The Solid Waste Fund has budgeted \$445,100 to purchase a new side load truck for commercial and residential cart routes.
- The Solid Waste Fund has also budgeted \$160,000 to improve drainage at the City's Transfer Station in compliance with TCEQ rules and regulations.
- The Stormwater Utility Fund has budgeted \$170,000 in Fiscal Year 2025 for the acquisition of a new Pinnacle 64T Daycab haul truck to replace an older 1999 Freightliner haul truck.
- The Wastewater Treatment Plant of the Water and Sewer Fund has budgeted \$114,240 to convert a spreader truck that is no longer needed into a roll-off truck to handle 20 and 30-yard roll off containers.
- The Water and Sewer Fund is projecting to spend approximately \$415,000 at the Moss Lake treatment facility for the replacement of filter media as well as a project to plan, engineer, and design approximately 5,000 linear feet of a distribution line from Well 3 to the treatment plant.
- The Water Production Division of the Water and Sewer Fund is projecting to spend approximately \$276,000 for water tank improvements and enhanced security of well sites.
- The Solid Waste Fund has also budgeted approximately \$96,000 for replacement carts and metal refuse containers.
- The Streets Department has budgeted \$60,000 for the purchase of a Case DV26E Double Vibratory Roller to replace an older 2002 model Dynapac roller.
- Total capital improvements at the Municipal Airport are projected at \$284,000 for the 2025 fiscal year.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department at the following address: Director of Financial Services, 200 South Rusk, Gainesville, Texas 76522. Call 940-668-4500 or visit our website at <https://www.gainesville.tx.us/>.

**BASIC  
FINANCIAL STATEMENTS**

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**CITY OF GAINESVILLE, TEXAS**

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 47,398,774	\$ 11,865,474	\$ 59,264,248	\$ 8,820,853
Receivables, net of allowance				
Taxes	1,475,318	21,967	1,497,285	244,159
Service	-	3,185,320	3,185,320	-
Other	1,610,792	1,174,770	2,785,562	36,738
Inventory	2,806	-	2,806	-
Prepaid	-	989,168	989,168	-
Restricted cash	-	474,204	474,204	-
Capital assets:				
Nondepreciable	12,358,844	17,450,209	29,809,053	293,445
Depreciable, net	<u>29,968,908</u>	<u>55,625,027</u>	<u>85,593,935</u>	<u>884,462</u>
Total Assets	<u>92,815,442</u>	<u>90,786,139</u>	<u>183,601,581</u>	<u>10,279,657</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	209,043	108,770	317,813	-
Deferred outflows - pensions	2,636,385	657,575	3,293,960	85,153
Deferred outflows - OPEB	<u>72,629</u>	<u>18,117</u>	<u>90,746</u>	<u>2,348</u>
Total deferred outflows of resources	<u>2,918,057</u>	<u>784,462</u>	<u>3,702,519</u>	<u>87,501</u>
<b>LIABILITIES</b>				
Accounts payable	2,707,379	689,480	3,396,859	59,376
Accrued expense	341,723	87,983	429,706	6,291
Accrued interest payable	121,669	219,716	341,385	-
Deposits	21,101	256,567	277,668	1,500
Unearned revenue	1,711,441	-	1,711,441	-
Noncurrent liabilities:				
Due within one year:				
Long-term debt	1,365,401	2,886,680	4,252,081	3,087
OPEB liability	21,216	5,291	26,507	685
Due in more than one year:				
Long-term debt	19,303,060	36,292,591	55,595,651	10,568
Net pension liability - TMRS	8,329,602	2,077,597	10,407,199	269,041
OPEB liability	<u>521,543</u>	<u>130,086</u>	<u>651,629</u>	<u>16,846</u>
Total liabilities	<u>34,444,135</u>	<u>42,645,991</u>	<u>77,090,126</u>	<u>367,394</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
<b>RESOURCES</b>				
Deferred inflows - pensions	282,591	70,485	353,076	9,128
Deferred inflows - OPEB	<u>176,098</u>	<u>43,924</u>	<u>220,022</u>	<u>5,689</u>
Total deferred inflows of resources	<u>458,689</u>	<u>114,409</u>	<u>573,098</u>	<u>14,817</u>
<b>NET POSITION</b>				
Net investment in capital assets	34,745,979	34,236,318	68,982,297	1,177,907
Restricted for:				
Debt service	1,883,214	-	1,883,214	-
Grants	270,880	-	270,880	-
Tourism & the Arts	624,409	-	624,409	-
Cemetery (nonspendable)	1,908,467	-	1,908,467	-
Public safety	421,066	-	421,066	-
Unrestricted	<u>20,976,660</u>	<u>14,573,883</u>	<u>35,550,543</u>	<u>8,807,040</u>
Total net position	<u>\$ 60,830,675</u>	<u>\$ 48,810,201</u>	<u>\$ 109,640,876</u>	<u>\$ 9,984,947</u>

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

**CITY OF GAINESVILLE, TEXAS**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	\$ 3,107,576	\$ 14,782	\$ 1,144,736
Community development	1,182,840	597,120	-
Finance	753,606	-	-
Public safety	15,135,143	636,405	-
Public works	5,498,314	1,315,587	983,243
Additional payments on pension liability	250,000	-	-
Interest on long-term debt	416,323	-	-
Total governmental activities	<u>26,343,802</u>	<u>2,563,894</u>	<u>2,127,979</u>
Business-type activities:			
Water and sewer	6,973,184	10,530,738	-
Municipal airport	1,943,174	1,720,604	2,588
Golf course	471,526	400,356	-
Stormwater	681,682	1,019,678	-
Solid waste	5,138,986	6,548,866	-
Total business-type activities	<u>15,208,552</u>	<u>20,220,242</u>	<u>2,588</u>
Total primary government	<u>\$ 41,552,354</u>	<u>\$ 22,784,136</u>	<u>\$ 2,130,567</u>
Component unit:			
Economic development	<u>1,606,229</u>	<u>-</u>	<u>173,716</u>
Total component unit	<u>\$ 1,606,229</u>	<u>\$ -</u>	<u>\$ 173,716</u>

General Revenues:

Taxes:

Ad valorem

Sales

Franchise

Occupancy taxes

Mixed beverage taxes

Investment earnings

Gain on sale of capital assets

Miscellaneous

Transfers

Total general revenues and transfers

Change in Net Position

Net Position - Beginning

Adjustments:

Change to or within the financial reporting entity

Net Position - Beginning, restated

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position				
Program Revenues	Primary Government			
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit
\$ -	\$ (1,948,058)	\$ -	\$ (1,948,058)	\$ -
-	(585,720)	-	(585,720)	-
-	(753,606)	-	(753,606)	-
619,252	(13,879,486)	-	(13,879,486)	-
1,150,430	(2,049,054)	-	(2,049,054)	-
-	(250,000)	-	(250,000)	-
-	(416,323)	-	(416,323)	-
<u>1,769,682</u>	<u>(19,882,247)</u>	<u>-</u>	<u>(19,882,247)</u>	<u>-</u>
1,562,068	-	5,119,622	5,119,622	-
-	-	(219,982)	(219,982)	-
-	-	(71,170)	(71,170)	-
847,473	-	1,185,469	1,185,469	-
-	-	1,409,880	1,409,880	-
<u>2,409,541</u>	<u>-</u>	<u>7,423,819</u>	<u>7,423,819</u>	<u>-</u>
<u>\$ 4,179,223</u>	<u>\$ (19,882,247)</u>	<u>\$ 7,423,819</u>	<u>\$ (12,458,428)</u>	<u>\$ -</u>
-				<u>(1,432,513)</u>
<u>\$ -</u>				<u>\$ (1,432,513)</u>
	9,963,691	-	9,963,691	-
	8,002,467	-	8,002,467	1,644,392
	1,537,028	-	1,537,028	-
	1,052,095	-	1,052,095	-
	41,606	-	41,606	-
	1,968,444	673,954	2,642,398	434,547
	45,028	-	45,028	-
	1,375,515	798,079	2,173,594	339,122
	467,588	(467,588)	-	-
	<u>24,453,462</u>	<u>1,004,445</u>	<u>25,457,907</u>	<u>2,418,061</u>
	4,571,215	8,428,264	12,999,479	985,548
	56,535,310	40,381,937	96,917,247	8,999,399
	<u>(275,850)</u>	<u>-</u>	<u>(275,850)</u>	<u>-</u>
	<u>56,259,460</u>	<u>40,381,937</u>	<u>96,641,397</u>	<u>8,999,399</u>
	<u>\$ 60,830,675</u>	<u>\$ 48,810,201</u>	<u>\$ 109,640,876</u>	<u>\$ 9,984,947</u>

**CITY OF GAINESVILLE, TEXAS**

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	<u>General</u>	<u>Assigned Projects Fund</u>	<u>2022 CO Bonds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,050,181	\$ 7,265,187	\$ 3,038,702
Receivables, net of allowance:			
Taxes	1,405,733	-	-
Other	1,513,238	-	-
Due from other funds	81,125	-	-
Inventory	2,806	-	-
Total assets	<u>13,053,083</u>	<u>7,265,187</u>	<u>3,038,702</u>
<b>LIABILITIES</b>			
Accounts payable	769,226	71,249	564,475
Accrued payroll & benefits	341,723	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
Funds held for others	21,101	-	-
Total liabilities	<u>1,132,050</u>	<u>71,249</u>	<u>564,475</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - property taxes	184,940	-	-
Deferred inflows - court fines	909,457	-	-
Total deferred inflows of resources	<u>1,094,397</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable for:			
Inventories	2,806	-	-
Cemetery	-	-	-
Restricted for:			
Debt service	-	-	-
Construction	-	-	2,474,227
Grants	-	-	-
Tourism and the arts	-	-	-
Other	-	-	-
Assigned for:			
Capital projects	-	-	-
Other	-	7,193,938	-
Unassigned	10,823,830	-	-
Total fund balances	<u>10,826,636</u>	<u>7,193,938</u>	<u>2,474,227</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,053,083</u>	<u>\$ 7,265,187</u>	<u>\$ 3,038,702</u>

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

2023 CO Bonds	Nonmajor Governmental Funds	Total Governmental Funds
\$ 8,537,700	\$ 18,507,004	\$ 47,398,774
-	69,585	1,475,318
-	97,554	1,610,792
-	-	81,125
-	-	2,806
<u>8,537,700</u>	<u>18,674,143</u>	<u>50,568,815</u>
-	1,302,429	2,707,379
-	-	341,723
-	1,711,441	1,711,441
-	81,125	81,125
-	-	21,101
<u>-</u>	<u>3,094,995</u>	<u>4,862,769</u>
-	69,585	254,525
-	-	909,457
<u>-</u>	<u>69,585</u>	<u>1,163,982</u>
-	-	2,806
-	1,908,467	1,908,467
-	2,004,883	2,004,883
8,537,700	-	11,011,927
-	270,880	270,880
-	624,409	624,409
-	421,066	421,066
-	9,724,238	9,724,238
-	663,605	7,857,543
-	(107,985)	10,715,845
<u>8,537,700</u>	<u>15,509,563</u>	<u>44,542,064</u>
<u>\$ 8,537,700</u>	<u>\$ 18,674,143</u>	<u>\$ 50,568,815</u>

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**CITY OF GAVINESVILLE, TEXAS**

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

SEPTEMBER 30, 2024

Total Fund Balances - Governmental Funds	\$ 44,542,064
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities not reported in the funds.	42,327,752
Certain receivables will not be collected soon enough to pay for the current period's expenditures and are therefore deferred in the funds:	
Property taxes	254,525
Court fines and fees	909,457
Accrued bond interest is not due and payable in the current period and therefore is not reported in the funds:	(121,669)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(17,697,533)
Bond premium	(1,237,427)
Arbitrage liability	(618,160)
Compensated absences	(1,115,341)
Included in the items related to long-term liabilities is the recognition of the City's net pension liabilities and the total OPEB liability, as well as the related deferred inflows and outflows of resources.	
Long-term liabilities:	
Net pension liability	(8,350,818)
Total OPEB liability	(521,543)
Deferred outflows of resources:	
Outflows related to loss on refunding	209,043
Outflows related to pensions	2,636,385
Outflows related to OPEB	72,629
Deferred inflows of resources:	
Inflows related OPEB	<u>(176,098)</u>
Net position of governmental activities	<u>\$ 60,830,675</u>

**CITY OF GAINESVILLE, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>General</u>	<u>Assigned Projects Fund</u>	<u>American Recovery Grant*</u>
<b>REVENUES</b>			
Taxes:			
Ad valorem taxes	\$ 7,545,130	\$ -	
Sales taxes	8,002,467	-	
Franchise tax	1,537,028	-	
Occupancy tax	-	-	
Mixed beverage tax	41,606	-	
Charges for services	1,299,463	-	
License & Permits	597,120	-	
Fines and forfeitures	381,531	-	
Investment income	782,848	253,084	
Intergovernmental revenues	964,011	-	
Other income	452,865	-	
Total revenues	<u>21,604,069</u>	<u>253,084</u>	
<b>EXPENDITURES</b>			
Current:			
General government	2,129,675	69,783	
Community development	651,355	-	
Finance	664,407	-	
Public safety	12,274,498	-	
Public works	4,211,149	-	
Additional payments on pension liability	-	250,000	
Capital outlay	343,203	1,943,824	
Debt service:			
Principal	-	-	
Interest and fiscal charges	-	-	
Bond issuance costs and fees	-	-	
Total expenditures	<u>20,274,287</u>	<u>2,263,607</u>	
Excess (deficiency) of revenues over (under) expenditures	1,329,782	(2,010,523)	
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds on sale of fixed assets	45,028	-	
Issuance of long-term debt	-	-	
Premium on debt issuance	-	-	
Transfers in	3,772,956	2,860,270	
Transfers out	<u>(3,007,371)</u>	<u>(1,817,387)</u>	
Total other financing sources (uses)	<u>810,613</u>	<u>1,042,883</u>	
<b>NET CHANGE IN FUND BALANCES</b>	2,140,395	(967,640)	
<b>FUND BALANCES - BEGINNING AS PREVIOUSLY REPORTED</b>	<u>8,962,091</u>	<u>8,161,578</u>	<u>208,852</u>
<b>ADJUSTMENTS</b>			
Errors and corrections	(275,850)	-	-
Change to or within the financial reporting entity	<u>-</u>	<u>-</u>	<u>(208,852)</u>
Total adjustments	<u>(275,850)</u>	<u>-</u>	<u>(208,852)</u>
<b>FUND BALANCES - BEGINNING AS RESTATED</b>	<u>8,686,241</u>	<u>8,161,578</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 10,826,636</u>	<u>\$ 7,193,938</u>	<u>\$ -</u>

\* Formerly a major fund  
The accompanying notes are an  
integral part of these financial statements.

2022 CO Bonds	2023 CO Bonds	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,400,312	\$ 9,945,442
-	-	-	8,002,467
-	-	-	1,537,028
-	-	1,052,095	1,052,095
-	-	-	41,606
-	-	16,124	1,315,587
-	-	14,782	611,902
-	-	36,154	417,685
288,506	489,524	772,642	2,586,604
-	-	1,163,968	2,127,979
-	-	922,650	1,375,515
<u>288,506</u>	<u>489,524</u>	<u>6,378,727</u>	<u>29,013,910</u>
-	-	470,939	2,670,397
-	-	434,102	1,085,457
-	-	3,386	667,793
-	-	16,204	12,290,702
-	-	-	4,211,149
-	-	-	250,000
4,628,021	-	1,617,312	8,532,360
-	-	1,201,510	1,201,510
-	-	464,020	464,020
-	-	90,347	90,347
<u>4,628,021</u>	<u>-</u>	<u>4,297,820</u>	<u>31,463,735</u>
(4,339,515)	489,524	2,080,907	(2,449,825)
-	-	-	45,028
-	-	3,057,867	3,057,867
-	-	263,311	263,311
-	-	4,884,195	11,517,421
-	(500,000)	(5,725,075)	(11,049,833)
-	(500,000)	2,480,298	3,833,794
(4,339,515)	(10,476)	4,561,205	1,383,969
<u>6,813,742</u>	<u>8,548,176</u>	<u>10,739,506</u>	<u>43,433,945</u>
-	-	-	(275,850)
-	-	208,852	-
-	-	208,852	(275,850)
<u>6,813,742</u>	<u>8,548,176</u>	<u>10,948,358</u>	<u>43,158,095</u>
\$ <u>2,474,227</u>	\$ <u>8,537,700</u>	\$ <u>15,509,563</u>	\$ <u>44,542,064</u>

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**CITY OF GAINESVILLE, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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

Net change in fund balances - total governmental funds \$ 1,383,969

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

Capital outlay 10,536,592  
Depreciation and adjustments (1,726,187)

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

Unavailable tax revenue 18,249  
Unavailable municipal court revenue 218,720

The issuance of long-term debt 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 issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond principal payments 1,201,510  
Issuance of long-term debt (3,321,178)

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.

Amortization of premiums and deferred loss on refunding 50,782  
Pension cost (3,047,752)  
OPEB cost 7,864  
Compensated absences (130,109)  
Arbitrage (618,160)  
Accrued interest (3,085)

Change in net position of governmental activities. \$ 4,571,215

**CITY OF GAINESVILLE, TEXAS**

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

SEPTEMBER 30, 2024

	Business-type Activities		
	Water and Sewer	Municipal Airport	Solid Waste
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 5,883,611	\$ 1,076,306	\$ 3,549,082
Receivables, net of allowance			
Service	1,881,585	61,567	1,052,698
Taxes	-	-	21,967
Other	1,169,570	1,000	4,200
Prepaid	989,168	-	-
Total current assets	<u>9,923,934</u>	<u>1,138,873</u>	<u>4,627,947</u>
Noncurrent assets:			
Restricted cash	-	-	474,204
Non-depreciable capital assets	9,841,517	206,702	-
Depreciable capital assets, net	32,437,249	4,648,763	8,455,246
Total noncurrent assets	<u>42,278,766</u>	<u>4,855,465</u>	<u>8,929,450</u>
Total assets	<u>52,202,700</u>	<u>5,994,338</u>	<u>13,557,397</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding	36,784	2,706	29,448
Deferred outflows - pensions	355,821	34,129	218,628
Deferred outflows - OPEB	9,803	940	6,024
Total deferred outflows of resources	<u>402,408</u>	<u>37,775</u>	<u>254,100</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	166,749	58,009	434,951
Accrued expense	46,968	2,488	32,395
Interest payable	197,025	29	10,808
Customer deposits	245,570	-	10,997
Current portion of long-term liabilities:			
Compensated absences	15,528	979	10,326
Bonds payable	2,258,230	3,592	184,419
OPEB liability	2,863	275	1,759
Total current liabilities	<u>2,932,933</u>	<u>65,372</u>	<u>685,655</u>
Noncurrent liabilities:			
Compensated absences	62,110	3,918	41,306
Bonds payable	29,678,545	6,520	2,554,260
Postclosure care costs payable	-	-	830,234
Net pension liability	1,124,208	107,830	690,753
OPEB liability	70,391	6,751	43,251
Total noncurrent liabilities	<u>30,935,254</u>	<u>125,019</u>	<u>4,159,804</u>
Total liabilities	<u>33,868,187</u>	<u>190,391</u>	<u>4,845,459</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - Pension	38,140	3,658	23,435
Deferred inflows - OPEB	23,768	2,280	14,604
Total deferred inflows of resources	<u>61,908</u>	<u>5,938</u>	<u>38,039</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,976,026	4,845,295	5,491,280
Unrestricted	8,698,987	990,489	3,436,719
Total net position	<u>\$ 18,675,013</u>	<u>\$ 5,835,784</u>	<u>\$ 8,927,999</u>

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

Business-type Activities

<u>Stormwater</u>	<u>Golf Course</u>	<u>Total</u>
\$ 1,349,788	\$ 6,687	\$ 11,865,474
189,470	-	3,185,320
-	-	21,967
-	-	1,174,770
-	-	989,168
<u>1,539,258</u>	<u>6,687</u>	<u>17,236,699</u>
-	-	474,204
7,371,934	30,056	17,450,209
<u>9,947,014</u>	<u>136,755</u>	<u>55,625,027</u>
<u>17,318,948</u>	<u>166,811</u>	<u>73,549,440</u>
<u>18,858,206</u>	<u>173,498</u>	<u>90,786,139</u>
36,846	2,986	108,770
13,178	35,819	657,575
363	987	18,117
<u>50,387</u>	<u>39,792</u>	<u>784,462</u>
3,173	26,598	689,480
83	6,049	87,983
11,838	16	219,716
-	-	256,567
257	962	28,052
410,436	1,951	2,858,628
106	288	5,291
<u>425,893</u>	<u>35,864</u>	<u>4,145,717</u>
1,026	3,849	112,209
3,108,784	2,039	35,350,148
-	-	830,234
41,637	113,169	2,077,597
2,607	7,086	130,086
<u>3,154,054</u>	<u>126,143</u>	<u>38,500,274</u>
<u>3,579,947</u>	<u>162,007</u>	<u>42,645,991</u>
1,413	3,839	70,485
880	2,392	43,924
<u>2,293</u>	<u>6,231</u>	<u>114,409</u>
13,757,910	165,807	34,236,318
1,568,443	(120,755)	14,573,883
<u>\$ 15,326,353</u>	<u>\$ 45,052</u>	<u>\$ 48,810,201</u>

**CITY OF GAINESVILLE, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities		
	Water and Sewer	Municipal Airport	Solid Waste
<b>OPERATING REVENUES</b>			
Charges for services	\$ 10,530,738	\$ 1,720,604	\$ 6,548,866
Other income	741,770	20,957	15,418
Total operating revenues	<u>11,272,508</u>	<u>1,741,561</u>	<u>6,564,284</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	2,687,199	253,662	1,650,036
Supplies, materials, repair and maintenance	827,848	1,365,002	930,397
Heat, light and power	523,783	21,046	15,439
Other	605,469	50,447	2,124,754
Depreciation	1,676,283	252,853	377,274
Total operating expenses	<u>6,320,582</u>	<u>1,943,010</u>	<u>5,097,900</u>
Operating income (loss)	<u>4,951,926</u>	<u>(201,449)</u>	<u>1,466,384</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	356,115	48,642	207,008
Grant revenue	-	2,588	-
Gain on disposal of property	31,163	-	46,168
Interest and other charges	(683,765)	(164)	(87,254)
Total non-operating revenues (expenses)	<u>(296,487)</u>	<u>51,066</u>	<u>165,922</u>
Income (loss) before capital contributions & transfers	<u>4,655,439</u>	<u>(150,383)</u>	<u>1,632,306</u>
<b>CAPITAL CONTRIBUTIONS &amp; TRANSFERS</b>			
Capital contributions	1,562,068	-	-
Transfers in	2,552,532	3,726	89,136
Transfers out	(2,289,058)	-	(837,912)
Total capital contributions & transfers	<u>1,825,542</u>	<u>3,726</u>	<u>(748,776)</u>
<b>CHANGE IN NET POSITION</b>	<u>6,480,981</u>	<u>(146,657)</u>	<u>883,530</u>
<b>NET POSITION - BEGINNING</b>	<u>12,194,032</u>	<u>5,982,441</u>	<u>8,044,469</u>
<b>NET POSITION - ENDING</b>	<u>\$ 18,675,013</u>	<u>\$ 5,835,784</u>	<u>\$ 8,927,999</u>

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

Business-type Activities

<u>Stormwater</u>	<u>Golf Course</u>	<u>Total</u>
\$ 1,019,678	\$ 400,356	\$ 20,220,242
-	19,934	798,079
<u>1,019,678</u>	<u>420,290</u>	<u>21,018,321</u>
102,296	292,089	4,985,282
26,400	92,379	3,242,026
-	11,268	571,536
26,801	66,846	2,874,317
429,692	10,225	2,746,327
<u>585,189</u>	<u>472,807</u>	<u>14,419,488</u>
<u>434,489</u>	<u>(52,517)</u>	<u>6,598,833</u>
62,084	105	673,954
-	-	2,588
-	-	77,331
<u>(96,493)</u>	<u>1,281</u>	<u>(866,395)</u>
<u>(34,409)</u>	<u>1,386</u>	<u>(112,522)</u>
<u>400,080</u>	<u>(51,131)</u>	<u>6,486,311</u>
847,473	-	2,409,541
237,633	5,023	2,888,050
<u>(228,668)</u>	<u>-</u>	<u>(3,355,638)</u>
<u>856,438</u>	<u>5,023</u>	<u>1,941,953</u>
<u>1,256,518</u>	<u>(46,108)</u>	<u>8,428,264</u>
<u>14,069,835</u>	<u>91,160</u>	<u>40,381,937</u>
<u>\$ 15,326,353</u>	<u>\$ 45,052</u>	<u>\$ 48,810,201</u>

**CITY OF GAINESVILLE, TEXAS**

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities		
	Water and Sewer	Municipal Airport	Solid Waste
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 10,123,521	\$ 1,702,686	\$ 6,230,810
Cash payment to suppliers	(1,937,107)	(1,408,216)	(3,000,414)
Cash payments to employees	(2,242,038)	(213,035)	(1,375,491)
Net cash provided (used) by operating activities	<u>5,944,376</u>	<u>81,435</u>	<u>1,854,905</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants	-	2,588	-
Cash received from other funds	2,552,532	3,726	89,136
Cash paid to other funds	(2,289,058)	-	(837,912)
Net cash provided (used) by noncapital financing activities	<u>263,474</u>	<u>6,314</u>	<u>(748,776)</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(4,046,914)	(17,957)	(1,371,219)
Disposal of capital assets	31,163	-	111,891
Principal paid on long-term debt	(1,610,578)	(3,429)	(178,441)
Proceeds from debt issuance	-	-	-
Bond issuance costs	-	-	-
Interest and fiscal charges	(354,364)	(297)	(87,411)
Net cash provided (used) by capital and related financing activities	<u>(5,980,693)</u>	<u>(21,683)</u>	<u>(1,525,180)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	356,115	48,642	207,008
Net cash provided by (used in) investing activities	<u>356,115</u>	<u>48,642</u>	<u>207,008</u>
Net (decrease) increase in cash and cash equivalents	583,272	114,708	(212,043)
Cash and cash equivalents at beginning of year	<u>5,300,339</u>	<u>961,598</u>	<u>4,235,329</u>
Cash and cash equivalents at end of year	<u>5,883,611</u>	<u>1,076,306</u>	<u>4,023,286</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income (loss)	4,951,926	(201,449)	1,466,384
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,676,283	252,853	377,274
Decrease (increase) in accounts receivable	(1,109,745)	(38,875)	(336,776)
Decrease (increase) in deferred outflows NPL/OPEB	212,169	19,094	131,138
Increase (decrease) in accounts payable	19,993	27,822	41,841
Increase (decrease) in accrued expense	14,775	-	40,857
Increase (decrease) in NPL/OPEB	172,444	18,771	104,580
Increase (decrease) in deferred inflows NPL/OPEB	29,590	2,909	18,139
Increase (decrease) in compensated absences	16,183	310	8,166
Increase (decrease) in customer deposits	(39,242)	-	3,302
Net cash provided by operating activities	<u>\$ 5,944,376</u>	<u>\$ 81,435</u>	<u>\$ 1,854,905</u>
<b>SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Contributions of capital assets	1,562,068	-	-

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

Business-type Activities

Stormwater	Golf Course	Total
\$ 955,232	\$ 420,290	\$ 19,432,539
(59,270)	(158,121)	(6,563,128)
<u>(98,086)</u>	<u>(263,601)</u>	<u>(4,192,251)</u>
<u>797,876</u>	<u>(1,432)</u>	<u>8,677,160</u>
-	-	2,588
237,633	5,023	2,888,050
<u>(228,668)</u>	<u>-</u>	<u>(3,355,638)</u>
<u>8,965</u>	<u>5,023</u>	<u>(465,000)</u>
(28,527)	-	(5,464,617)
-	-	143,054
(424,143)	(1,862)	(2,218,453)
-	-	-
-	-	-
<u>(98,621)</u>	<u>(160)</u>	<u>(540,853)</u>
<u>(551,291)</u>	<u>(2,022)</u>	<u>(8,080,869)</u>
<u>62,084</u>	<u>105</u>	<u>673,954</u>
<u>62,084</u>	<u>105</u>	<u>673,954</u>
317,634	1,674	805,245
<u>1,032,154</u>	<u>5,013</u>	<u>11,534,433</u>
<u>1,349,788</u>	<u>6,687</u>	<u>12,339,678</u>
434,489	(52,517)	6,598,833
429,692	10,225	2,746,327
(64,446)	-	(1,549,842)
14,902	30,195	407,498
(6,069)	12,372	95,959
(903)	2,168	56,897
(6,109)	1,682	291,368
702	2,484	53,824
(4,382)	(8,041)	12,236
-	-	(35,940)
<u>\$ 797,876</u>	<u>\$ (1,432)</u>	<u>\$ 8,677,160</u>
847,473	-	2,409,541

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**NOTES TO THE  
FINANCIAL STATEMENTS**

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**CITY OF GAINESVILLE, TEXAS**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Gainesville, Texas (the City) is a political subdivision and municipal corporation of the State of Texas (State), organized and existing under the laws of the State, including the City's Home Rule Charter. The City operates under a City Council/Manager form of government. The City Council is comprised of the Mayor and six City Council Members who have been elected for staggered two-year terms. The City Council formulates operating policy for the City while the City Manager is the Chief Administrative Officer.

The services provided by the City are diverse. The City's services include, but are not limited to, the traditional local government responsibilities of public safety, streets and transportation, water and wastewater, solid waste collection and disposal, storm water utility services, environmental health, parks and recreation leisure services, and a general aviation airport. The respective fund financial statements and budgets (where legally adopted) of these multi-faceted services are all included in the City's financial "reporting entity" and more fully described in the immediately subsequent section of this note and the City's government-wide financial statements.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for the local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants, in the publication entitled, "Audits of State and Local Governmental Units", and by the Financial Accounting Standards Board (FASB) when applicable.

**A. Reporting Entity**

The City's financial reporting entity comprises the following:

Primary Government:	City of Gainesville
Discrete Component Unit:	Gainesville Economic Development Corporation (GEDC)

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as discretely presented component units with the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name).
- The City holds the corporate powers of the organization.
- The City appoints a voting majority of the organization's board.
- The City is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the City.
- There is fiscal dependency by the organization on the City.

These factors make the organization meet the criteria for being presented as a discretely presented component unit.

**Discretely Presented Component Unit**

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

The component unit that is discretely presented into the reporting activity type of the City's report is presented below:

Gainesville Economic Development Corporation, Inc. - The purpose of the Gainesville Economic Development Corporation, Inc. (GEDC) is to promote economic development within the City by encouraging, developing, and providing financing for manufacturing, industrial, and retail or commercial operations. The primary source of revenue is a sale and use tax specified in the Texas Development Corporation Act of 1979, which is remitted to the City by the State of Texas, and which is then allocated to the GEDC fund. The City provides administrative support to the GEDC for which it is reimbursed by the GEDC. The GEDC Board of Directors consists of seven members, appointed by the City Council, at least five of which may not be City officers, employees, or council members. A separate audit report is issued for the GEDC, a copy of which may be obtained by writing to 200 S. Rusk, Gainesville, TX, 76240.

## **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from a certain legally separate *component unit* for which the primary government is financially accountable.

Governmental activities are normally supported by property taxes, sales taxes, franchise fees, and grant revenues from the federal government and the State of Texas. Governmental activities are reported separately from business-type activities, which rely to a large extent on fees and charges for support. Significant revenues generated from business-type activities include charges to customers for water and wastewater services, golf course fees, airport-user charges, wastewater tap fees and reconnection fees.

The statement of activities reports changes in the City's net position from October 1, 2023 to September 30, 2024. This statement demonstrates the degree to which the direct expenses of a given function of government are offset by program revenues. Specifically, the City has identified the following functions of government: support services, public safety services, recreation and leisure services, development services, water and wastewater services, solid waste operations, stormwater services, municipal airport operations, and golf course operations. Direct expenses are those that are clearly identifiable with a specific function of City government. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included with program revenues are reported instead as general revenues in the statement of activities.

In addition to the government-wide financial statements, the City also reports separate financial statements for major governmental funds and proprietary funds; these statements are classified as fund financial statements. The fund financial statements are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures (or expenses). Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and how spending activities are controlled.

Funds are ordered into two distinct categories: governmental and proprietary. Information in the fund financial statements is reported on a major fund basis. The City conducts the calculation of major funds each year under the methods outlined in GASB Statement No. 34. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are reported in aggregate and separately reported in the combining fund financial statements. The various funds are summarized by type in the fund financial statements.

The City reports the following major governmental funds:

**General Fund** - is the City's primary operating fund. It accounts for all financial resources of the City, except those accounted for in another fund.

**Assigned Project Fund** - is used to account for revenues designated by the City Council for special projects and capital purchases. Expenditures are limited to projects for the City as determined by the City Manager.

**2022 CO Bond Fund** - is used to account for the proceeds of the 2022 Certificates of Obligation. Expenditures are limited to projects set forth in the planning documents for this debt issuance.

**2023 CO Bond Fund** - is used to account for the proceeds of the 2023 Certificates of Obligation. Expenditures are limited to projects set forth in the planning documents for this debt issuance.

The City reports the following nonmajor fund types:

**Debt Service Fund** - accounts for the resources accumulated and payments made for principal and interest on long-term obligation debt of governmental funds.

**Special Revenue Funds** - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Capital Projects Funds** - account for financial resources to be used for the acquisition and construction of major capital facilities.

The City reports the following major proprietary funds:

**Water and Sewer Utility Fund** - This fund accounts for water and wastewater system services provided for residents of the City, including administration, operations, maintenance, debt service, billing, and collection.

**Municipal Airport Utility Fund** - This fund accounts for revenues and costs related to the operations of the City's municipal airport. Major sources of revenue for the airport are fuel sales and hangar rental.

**Stormwater Utility Fund** - This fund accounts for the costs related to management of the City's stormwater drainage system. Revenues are generated through fees charged to City residents on their monthly utility billing.

**Solid Waste Utility Fund** - This fund accounts for the operations of the City's refuse collection and disposal services. Revenues are generated through user charges. The City accrues landfill closure and post-closure care costs.

**Golf Course Fund** - is used to account for the management of the City's golf course.

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

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

The government-wide and proprietary fund 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 when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

#### **D. Deposits and Investments**

Cash in all funds, including restricted cash, is pooled into common pooled accounts to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month-end. 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.

State statutes and local policies authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, the Texas Short-Term Asset Reserve Program (TexSTAR) and Texpool.

Investments for the City, as well as for its component units, are reported at fair value. TexSTAR and Texpool operate in accordance with appropriate state laws and regulations. The reported value of TexSTAR and Texpool is the same as the fair value of the pool shares.

#### **E. Receivables**

Accounts Receivable - Utility customers are billed monthly on a regular cycle as meters are read, or services are performed, with revenue recorded when customers are billed. The estimated unbilled revenue at September 30, 2024, was derived by taking the cycle billings that the City billed customers in October and prorating the number of days applicable to the current year and recording the prorated amount as current year revenue. The total prorated amount is also recorded as accounts receivable at year-end.

Property Taxes - Property taxes attach an enforceable lien on property as of the prior January 1. Taxes are levied on October 1 and become delinquent after January 31. Property taxes are recorded as receivables and deferred revenues at the time the taxes are assessed. In governmental funds, revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year, and therefore, susceptible to accrual in accordance with GAAP have been recognized as revenue. In the government-wide financial statements, the entire levy is recognized as revenue, net of estimated uncollectible amounts (if any) at the levy date.

#### **F. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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

In addition to assets, the statement of financial position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. Items reported are the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the City reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

**H. Capital Assets**

Capital assets (i.e., land, buildings, equipment, improvements other than buildings, and construction in progress) of all funds are stated at historical cost or estimated historical cost if historical cost is not known. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. An item is classified as an asset if the initial, individual cost is \$15,000 or greater. Capital assets of the City are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Assets subject to depreciation are depreciated using the straight-line method. The estimated useful lives of all depreciable assets are as follows:

<u>Asset Type</u>	<u>Number of Years</u>
Buildings, systems, and improvements	15-30
Machinery, vehicles and other equipment	3-15
Furniture and fixtures	3-10
Infrastructure	25-100

**I. Compensated Absences**

It is the City’s policy to permit employees to accumulate earned unused vacation and sick pay benefits. All vacation and sick pay are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

Regular full-time employees earn vacation time at the following rates:

1-4 year	10 days per year
5-14 years	15 days per year
15 and over	20 days per year

Fire Department employees earn vacation time at the following rates:

1 - 9 years	Equivalent to 7 shifts
10 - 19 years	Equivalent to 10 shifts
20 and over	Equivalent to 15 shifts

## **J. Pension**

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

## **K. Long-Term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **L. Net Position and Fund Balance**

In the government-wide and proprietary fund financial statements, the City reports restrictions of net position for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Net investment in capital assets represents the City's investment in the book value of capital assets, less any unspent proceeds from capital-related debt issuances. Unrestricted net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

In the fund financial statements, governmental funds report fund balance categorized as follows:

***Nonspendable*** fund balance includes amounts that are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.

***Restricted*** fund balance includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

***Committed*** fund balance includes amounts that can be used only for the specific purposes determined and approved by passage of a formal resolution of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally. In accordance with the City Charter, an amount equal to twenty percent of total general fund expenditures has been identified as committed for a contingency reserve.

***Assigned*** fund balance includes amounts intended to be used by the City for specific purposes. Pursuant to Ordinance 2011-50, the City Council designated the City Manager or his/her designee as the official authorized person to assign fund balance. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. The City's financial goal is to achieve and maintain an unassigned fund balance in the General Fund equal to twenty-five percent of budgeted expenditures but may be reduced down to ten percent in unusual financial circumstances with a corrective five-year plan to restore the fund balance back to twenty-five percent.

***Unassigned*** fund balance is the residual classification of the General Fund and includes all amounts not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance amount.

## **Net Position Flow Assumption**

Sometimes the City 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 and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

## **Fund Balance Flow Assumption**

Sometimes the City 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 City'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.

## **M. Revenues and Expenditures/Expenses**

### **Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

### **Property Taxes**

On January 1 of each year, a tax lien is attached to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property taxes are then levied by October 1, 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 levied. The majority of the taxes are collected between October 1 and January 31. Delinquent property taxes receivable are not considered available if they are not collected within 60 days after the close of the City's fiscal year.

### **Proprietary Funds Operating and Non-operating Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues not meeting this definition are reported as non-operating revenues and expenses.

## **N. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates included in the financial statements are depreciation expense, which is based on the estimated useful lives of the underlying depreciable assets, the allowance for doubtful accounts receivable, and the net pension liability and total OPEB liability and the related expenses, which are based on various actuarial assumptions.

**O. Change in Accounting Principle**

During fiscal year 2024, the City adopted the following new accounting guidance:

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, was adopted effective October 1, 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The City’s fiscal year begins October 1 and ends on September 30 of the following calendar year. Prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for all City departments, divisions, and offices for the fiscal year beginning on the following October 1. The operating budget, which represents the financial plan of the ensuing fiscal year, includes proposed expenditures or expenses and the means of financing them. Public hearings are conducted at which all interested people are encouraged to comment concerning the proposed budget.

The budget for the subsequent fiscal year, as well as the current revised budget, is legally enacted by the City Council through passage of an ordinance prior to October 1 each year.

Annual budgets are legally adopted for all City departments, divisions, and offices on a basis consistent with GAAP, except that depreciation is not budgeted in the Enterprise Funds. Formal budgetary accounting is employed as a management control technique to assist controlling revenues and expenditures (or expenses) in the General Fund, certain Special Revenue Funds, the Debt Service Fund, and the Enterprise Funds. Project-length budgets are adopted for the Capital Project Funds. Appropriations for certain non-budgeted special revenue funds and capital projects funds are controlled on a project basis and are carried forward each year until the project is completed or the grant receipts are expended. The following governmental funds have legally adopted budgets: General Fund, Municipal Court Security, Municipal Court Technology, Hotel/Motel, Law Enforcement Officer Education, City Athletic Fields, State Seizure, Municipal Court Juvenile Case Manager, Cable Peg Fee, Debt Service, Cemetery Permanent, Assigned Projects, and Cohen Scholarship.

Expenditures may not legally exceed appropriations at the division or program level for legally adopted annual operating budgets of the General, Water and Sewer, and the Solid Waste funds. However, the level of budgetary control is maintained at the fund or project level for all other remaining fund types, since the related activities are comprised of a single division, program, or project. The City Manager may, without Council approval, transfer unencumbered appropriation balances between expenditure accounts within funds, departments, or programs of the City. The City Council, however, must approve any appropriations between individual funds or appropriations that result in a net increase in total appropriations.

The original budget and amended budget for major governmental funds are presented as required supplementary information. The Council made several supplemental budgetary appropriations throughout the year. There were no material budget amendments made.

**Excess of Expenditures over Appropriations**

General Fund:		
Community Development	\$	8,398
Public Safety		6,508
Nonmajor Governmental Funds:		
Law Enforcement Officer Education		7,485
Cable PEG Fee		195

**III. DEPOSITS AND INVESTMENTS**

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, municipal bonds, managed public fund investment pools, and certificates of deposit.

The Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the "Act"), provide for the creation of public funds investment pools, such as TexPool, and Texas Short-term Reserve Fund ("TexStar") such as through which political subdivisions and other entities may invest public funds.

TexPool and TexStar have a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The City's cash and investments are classified as: cash and cash equivalents and restricted cash. The cash and cash equivalents include cash on hand and deposits with financial institutions. The restricted cash and investments are assets restricted for specific use.

The City's investments for the year ended September 30, 2024, were as follows:

<u>Cash</u>				
Cash on Hand				\$ 6,200
Cash Equivalents - TexStar & TexPool				56,082,222
Cash in Banks				12,470,883
Total Cash and Cash Equivalents				<u>\$ 68,559,305</u>

	Governmental Activities	Business Activities	Component Unit	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Cash and Cash Equivalents	\$ 47,398,774	\$ 11,865,474	\$ 8,820,853	\$ 68,085,101
Restricted Cash and Cash Equivalents	<u>-</u>	<u>474,204</u>	<u>-</u>	<u>474,204</u>
Totals	<u>\$ 47,398,774</u>	<u>\$ 12,339,678</u>	<u>\$ 8,820,853</u>	<u>\$ 68,559,305</u>

As of September 30, 2024, all of the City's deposits were entirely covered by federal depository insurance or by collateral held by the City's agent in the City's name.

*Credit risk* – In conformance with the City's investment policy, the City has limited credit risk by investing in only the safest type of securities as allowed by the Public Funds Investment Act, using approved brokers and with different investment pools.

*Interest rate risk* – The City, in compliance with its investment policy, invests in short-term securities to protect market valuation from unanticipated rate movements. In addition, the City will not directly invest in securities maturing more than five years from the date of purchase.

*Concentration of credit risk* – The City uses two local government investment pools and brokered certificates of deposit to diversify risk.

*Custodial credit risk* – The City requires all bank deposits to be collateralized at a level not less than 102% of the total deposits. At September 30, 2024, the carrying value of the City's bank deposits was entirely covered by federal depository insurance or by collateral held by the agent in the City's name.

At September 30, 2024, the carrying value of GEDC's (a discretely presented component unit) bank deposits was entirely covered by federal depository insurances or by collateral held by the agency in GEDC's name.

**IV. RECEIVABLES**

The City's receivables as of September 30, 2024 consisted of the following:

	Governmental Activities		
	General	Nonmajor	Total
	Fund	Funds	
Property Taxes	\$ 230,303	\$ -	\$ 230,303
Sales Taxes	1,464,951	86,653	1,551,604
Other Local Fees	-	96,909	96,909
Franchise Fees	439,241	-	439,241
Court Warrants	1,895,787	-	1,895,787
Other	<u>107,372</u>	<u>645</u>	<u>108,017</u>
	\$ 4,137,654	\$ 184,207	\$ 4,321,861
Allowance for Uncollectible	<u>(1,218,683)</u>	<u>(17,068)</u>	<u>(1,235,751)</u>
Net receivables	<u>\$ 2,918,971</u>	<u>\$ 167,139</u>	<u>\$ 3,086,110</u>

	Proprietary Fund				
	Water and Sewer	Municipal Airport	Solid Waste	Stormwater Utility	Total
Service Receivables	\$ 1,886,631	\$ 61,567	\$ 1,056,298	\$ 190,188	\$ 3,194,684
Taxes	-	-	21,967	-	21,967
Intergovernmental	1,166,273	-	-	-	1,166,273
Other	<u>3,297</u>	<u>1,000</u>	<u>4,200</u>	<u>-</u>	<u>8,497</u>
	\$ 3,056,201	\$ 62,567	\$ 1,082,465	\$ 190,188	\$ 4,391,421
Allowance for Uncollectible	<u>\$ (5,046)</u>	<u>\$ -</u>	<u>\$ (3,600)</u>	<u>\$ (718)</u>	<u>\$ (9,364)</u>
Net receivables	<u>\$ 3,051,155</u>	<u>\$ 62,567</u>	<u>\$ 1,078,865</u>	<u>\$ 189,470</u>	<u>\$ 4,382,057</u>

**V. COMMITMENTS**

GEDC Commitments

GEDC entered into an incentive agreement with various companies in Gainesville to promote economic development. Under these agreements, the GEDC has agreed to pay annual amounts to individual companies if the companies meet certain requirements by a specified date. The Commitments as of the year ended September 30, 2024 are as follows:

<u>Purpose</u>	<u>Commitment</u>	<u>Expended to Date</u>	<u>Balance of Commitment</u>
Project Commitments			
BIG Program	\$ 138,730	\$ 102,047	\$ 36,683
Tractor Bob's	400,000	13,773	386,227
Marching USA - PA	88,000	17,571	70,429
Landon Winery	100,000	-	100,000
Seafoodville	50,000	-	50,000
CCR SE Grant 82, LLC	750,000	-	750,000
Mesa Real Estate Partners, LP	<u>167,500</u>	<u>44,816</u>	<u>122,684</u>
Total	1,694,230	178,207	1,516,023
Annual Commitments			
NCTC Scholarship	\$ 12,000	\$ 12,000	\$ -
Business Education for Teachers	2,000	-	2,000
NTMC Nursing Recruitment	<u>36,000</u>	<u>-</u>	<u>36,000</u>
Total	50,000	12,000	38,000
Total Commitments	<u>\$ 1,744,230</u>	<u>\$ 190,207</u>	<u>\$ 1,554,023</u>

**VI. CAPITAL ASSETS**

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

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,187,046	\$ 750,447	\$ -	\$ 5,937,493
Construction in progress	1,362,824	5,143,987	(85,460)	6,421,351
Total capital assets not being depreciated	<u>6,549,870</u>	<u>5,894,434</u>	<u>(85,460)</u>	<u>12,358,844</u>
Capital assets being depreciated:				
Buildings	12,464,389	-	-	12,464,389
Improvements	100,178,700	3,068,552	(267,871)	102,979,381
Motorized Vehicles	8,105,409	509,824	(243,439)	8,371,794
Machinery & Equipment	2,872,189	1,417,113	-	4,289,302
Office Equip, Furniture & Fixture	902,430	-	-	902,430
Total assets being depreciated	<u>124,523,117</u>	<u>4,995,489</u>	<u>(511,310)</u>	<u>129,007,296</u>
Less accumulated depreciation for:				
Buildings	(8,762,739)	(289,675)	-	(9,052,414)
Improvements	(81,313,836)	(1,215,532)	267,871	(82,261,497)
Motorized Vehicles	(4,630,937)	(296,148)	243,439	(4,683,646)
Machinery & Equipment	(2,080,769)	(157,682)	-	(2,238,451)
Office Equip, Furniture & Fixture	(767,359)	(35,021)	-	(802,380)
Total accumulated depreciation	<u>(97,555,640)</u>	<u>(1,994,058)</u>	<u>511,310</u>	<u>(99,038,388)</u>
Total capital assets being depreciated, net	<u>26,967,477</u>	<u>3,001,431</u>	<u>-</u>	<u>29,968,908</u>
Governmental activities capital assets, net	<u>\$ 33,517,347</u>	<u>\$ 8,895,865</u>	<u>\$ (85,460)</u>	<u>\$ 42,327,752</u>

Depreciation was charged to the governmental funds as follows:

Governmental activities:

General Government	\$ 39,881
Public Safety	817,564
Public Works	<u>1,136,613</u>
Total depreciation expense - governmental funds	<u>\$ 1,994,058</u>

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

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 7,689,865	\$ 423,383	\$ (23,770)	\$ 8,089,478
GTUA Land	31,053	-	-	31,053
GTUA Water Storage Rights	4,324,619	-	-	4,324,619
GTUA Construction in progress	55,563	-	(55,563)	-
Construction in progress	<u>6,978,011</u>	<u>3,002,143</u>	<u>(4,975,095)</u>	<u>5,005,059</u>
Total capital assets, not being depreciated	<u>19,079,111</u>	<u>3,425,526</u>	<u>(5,054,428)</u>	<u>17,450,209</u>
Capital assets being depreciated:				
Buildings	18,806,029	5,315,595	-	24,121,624
Improvements	32,035,333	2,443,721	-	34,479,054
GTUA Projects in Service	9,329,157	55,563	-	9,384,720
Motorized Vehicles	7,818,315	782,470	(474,697)	8,126,088
Machinery & Equipment	4,993,531	979,091	-	5,972,622
Office Equip, Furniture & Fixture	363,685	-	-	363,685
Plant in Svc Water	15,524,788	200,942	-	15,725,730
Plant in Svc Sewer	<u>6,775,773</u>	<u>-</u>	<u>(340,502)</u>	<u>6,435,271</u>
Total assets being depreciated	<u>95,646,611</u>	<u>9,777,382</u>	<u>(815,199)</u>	<u>104,608,794</u>
Less accumulated depreciation for:				
Buildings	(4,029,639)	(463,696)	-	(4,493,335)
Improvements	(12,198,360)	(901,825)	-	(13,100,185)
GTUA Projects in Service	(5,356,682)	(496,220)	-	(5,852,902)
Motorized Vehicles	(4,708,848)	(328,734)	474,697	(4,562,885)
Machinery & Equipment	(3,534,025)	(179,350)	-	(3,713,375)
Office Equip, Furniture & Fixture	(272,974)	(13,705)	-	(286,679)
Plant in Svc Water	(11,530,002)	(316,647)	-	(11,846,649)
Plant in Svc Sewer	<u>(5,081,607)</u>	<u>(46,150)</u>	<u>-</u>	<u>(5,127,757)</u>
Total accumulated depreciation	<u>(46,712,137)</u>	<u>(2,746,327)</u>	<u>474,697</u>	<u>(48,983,767)</u>
Total capital assets being depreciated, net	<u>48,934,474</u>	<u>7,031,055</u>	<u>(340,502)</u>	<u>55,625,027</u>
Business-type activities capital assets, net	<u>\$ 68,013,585</u>	<u>\$ 10,456,581</u>	<u>\$ (5,394,930)</u>	<u>\$ 73,075,236</u>

Depreciation was charged to the business-type activities as follows:

Business-type activities:

Water and Sewer	\$ 1,676,283
Solid Waste	377,274
Stormwater	429,692
Airport	252,853
Golf Course	<u>10,225</u>
Total depreciation expense - business-type activities	<u>\$ 2,746,327</u>

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

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Component unit				
Capital assets, not being depreciated:				
Land	\$ 810,129	\$ 35,652	\$ (552,336)	\$ 293,445
Total capital assets, not being depreciated	810,129	35,652	(552,336)	293,445
Capital assets being depreciated:				
Buildings	1,975,114	215,288	-	2,190,402
Improvements	75,000	9,700	-	84,700
Office, Machine & Equipment	47,532	-	-	47,532
Total assets being depreciated	2,097,646	224,988	-	2,322,634
Less accumulated depreciation for:				
Buildings	(1,319,248)	(73,013)	-	(1,392,261)
Improvements	(20,968)	(4,235)	-	(25,203)
Office, Machine & Equipment	(11,509)	(9,199)	-	(20,708)
Total accumulated depreciation	(1,351,725)	(86,447)	-	(1,438,172)
Total capital assets being depreciated, net	745,921	138,541	-	884,462
Component unit capital assets, net	\$ 1,556,050	\$ 174,193	\$ (552,336)	\$ 1,177,907

Depreciation was charged to the component-unit activities as follows:

<u>Component unit:</u>	
Economic Development	\$ 86,447
Total depreciation expense - component-unit activities	<u>\$ 86,447</u>

## VII. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The outstanding balances between funds result mainly from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The majority of interfund transfers are due to the following:

- The General Fund transferred \$2,810,270 to the Assigned Project Fund in accordance with the ordinance approving the Budget, which required all excess revenues over \$200,000 to be transferred to the Assigned Project Fund.
- The Assigned Projects Fund transferred \$1,817,387 to Non-Major Governmental Fund (Capital Projects) for capital projects planned during the budget process.
- The Water and Sewer Funds transferred \$895,451 to Non-Major Governmental Funds (2024 CO Bonds) for the portion of new bonds related to governmental projects.
- The Water and Sewer Fund, Solid Waste Fund, and Stormwater Fund transferred \$2,371,051 to the General Fund in order to reimburse the General Fund for administrative costs and pay franchise fees that are required for all utilities utilizing the City rights-of-way.
- The Water and Sewer Fund received a transfer from a Non-Major Governmental Fund (ARPA) in the amount of \$1,012,396 to reimburse them for grant expenses made during the year allowable under the grant.
- A Non-major Governmental Fund (Debt Service) transferred \$572,519 to various Enterprise Funds for their portion of bond payments made.

Interfund receivables for the year in the General Fund totaled \$81,125 due from non-major governmental funds. The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers made during the fiscal year were as follows:

**2. Interfund Transfers**

The following is a summary of interfund operating transfers:

Transfers In	Transfers Out							
	General Fund	Assigned Projects	2023 Bonds	Nonmajor Governmental	Water & Sewer	Storm Water	Solid Waste	Total
General Fund	\$ -	\$ -	\$ -	\$ 1,401,905	\$ 1,304,471	\$ 228,668	\$ 837,912	\$ 3,772,956
Assigned Projects	2,810,270	-	-	50,000	-	-	-	2,860,270
Nonmajor Governmental	197,101	1,817,387	500,000	1,474,256	895,451	-	-	4,884,195
Water & Sewer	-	-	-	2,552,532	-	-	-	2,552,532
Airport	-	-	-	3,726	-	-	-	3,726
Stormwater	-	-	-	237,633	-	-	-	237,633
Solid Waste	-	-	-	-	89,136	-	-	89,136
Gof Course	-	-	-	5,023	-	-	-	5,023
Total	<u>\$ 3,007,371</u>	<u>\$ 1,817,387</u>	<u>\$ 500,000</u>	<u>\$ 5,725,075</u>	<u>\$ 2,289,058</u>	<u>\$ 228,668</u>	<u>\$ 837,912</u>	<u>\$ 14,405,471</u>

**VIII. LONG-TERM LIABILITIES**

During fiscal year 2024, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2024, in the amount of \$4,230,000. The bond carries an interest rate between 4% and 5% and will mature in February 2044. Proceeds from the bonds will be used for acquiring, construction, improvements and land acquisition for the City’s various infrastructure related to its water and sewer system.

Changes in the City’s long-term liabilities for the year ended September 30, 2024 are as follows:

	Beginning Balance	Issued	Refunded/Retired	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 5,048,686	\$ -	\$ (714,542)	\$ 4,334,144	\$ 620,394
Certificates of obligation	10,792,490	3,057,867	(486,968)	13,363,389	521,939
Bond premium on issuance	1,044,756	263,311	(70,640)	1,237,427	-
Arbitrage	-	618,160	-	618,160	-
Compensated absences	985,232	679,130	(549,021)	1,115,341	223,068
Total governmental activities	<u>17,871,164</u>	<u>4,618,468</u>	<u>(1,821,171)</u>	<u>20,668,461</u>	<u>1,365,401</u>
<b>Business-type activities:</b>					
General obligation bonds	6,436,111	-	(730,463)	5,705,648	724,606
Certificates of obligation	22,942,509	1,172,133	(1,128,033)	22,986,609	1,343,062
Contract Revenue Bonds	8,730,040	-	(774,480)	7,955,560	790,960
Bonds premium on issuance	1,572,787	100,932	(112,760)	1,560,959	-
Post closure care costs - Landfill	801,899	28,335	-	830,234	-
Compensated absences	128,025	111,347	(99,111)	140,261	28,052
Total business-type activities	<u>40,611,371</u>	<u>1,412,747</u>	<u>(2,844,847)</u>	<u>39,179,271</u>	<u>2,886,680</u>
Total primary government	<u>58,482,535</u>	<u>6,031,215</u>	<u>(4,666,018)</u>	<u>59,847,732</u>	<u>4,252,081</u>
<b>Component unit:</b>					
Compensated absences	10,290	20,104	(16,739)	13,655	2,731
Total component unit	<u>\$ 10,290</u>	<u>\$ 20,104</u>	<u>\$ (16,739)</u>	<u>\$ 13,655</u>	<u>\$ 2,731</u>

Compensated absences of the governmental activities and business-type activities are paid for by the General Fund and Water and Sewer, Municipal Airport, Solid Waste, Stormwater and Golf Course Funds, respectively. Direct financing arrangements are secured by an underlying asset. In the event of a default, the lender may demand immediate payment or take possession of the asset.

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

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
<u>Governmental Activities</u>				
Certificates of Obligation				
Combination Tax and Limited Surplus Certificates of Obligation, Series 2012	\$ 514,500	2.00%-3.50%	2032	\$ 423,000
Combination Tax and Limited Surplus Certificates of Obligation, Series 2018	3,458,058	3.00%-3.40%	2038	3,112,522
Combination Tax and Limited Surplus Certificates of Obligation, Series 2022	7,180,000	2.00%-5.00%	2042	6,770,000
Combination Tax and Limited Surplus Certificates of Obligation, Series 2024	3,057,867	4.00%-5.00%	2044	<u>3,057,867</u>
Total certificates of obligation				<u>\$ 13,363,389</u>
General Obligation Bonds:				
General Obligation Bond General Obligation Refunding Bonds, Series 2014	\$ 4,765,000	3.50-4.00%	2034	\$ 1,103,700
General Obligation Refunding Bonds, Series 2016	9,215,000	2.25%-4.00%	2036	1,831,945
General Obligation Refunding Bonds, Series 2017	1,801,007	4.00%	2028	579,499
General Obligation Refunding Bonds, Series 2020	2,975,000	1.01%	2030	<u>819,000</u>
Total General Refunding Bonds				<u>4,334,144</u>
Total bonded debt - governmental activities				<u>\$ 17,697,533</u>

<u>Enterprise Activities</u>	<u>Original Borrowing</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Outstanding at Year-end</u>
Certificates of Obligation				
Combination Tax and Limited Surplus Certificates of Obligation, Series 2012	\$ 400,500	2.00%-3.50%	2032	\$ 211,500
Combination Tax and Limited Surplus Certificates of Obligation, Series 2012	1,468,500	2.00%-3.50%	2032	775,500
Combination Tax and Limited Surplus Certificates of Obligation, Series 2013	5,730,000	4.00%-2.75%	2033	3,065,000
Combination Tax and Limited Surplus Certificates of Obligation, Series 2015	9,215,000	4.00%-2.75%	2035	6,070,000
Combination Tax and Limited Surplus Certificates of Obligation, Series 2018	3,400,140	3.00%-3.40%	2038	2,652,476
Combination Tax and Limited Surplus Certificates of Obligation, Series 2023	9,160,000	4.25%-5.00%	2043	9,040,000
Combination Tax and Limited Surplus Certificates of Obligation, Series 2024	1,172,133	4.00%-5.00%	2044	<u>1,172,133</u>
Total certificates of obligation				<u>\$ 22,986,609</u>
General Obligation Bonds:				
General Obligation Refunding				
Bonds, Series 2014	\$ 1,467,000	3.50-4.00%	3034	\$ 1,018,800
Bonds, Series 2014	1,018,750	3.50-4.00%	3034	707,500
Bonds, Series 2016	433,257	2.25%-4.00%	2036	1,005,755
Bonds, Series 2016	72,009	2.25%-4.00%	2036	7,348
Bonds, Series 2016	347,750	2.25%-4.00%	2036	1,074,010
Bonds, Series 2016	607,079	2.25%-4.00%	2036	61,947
Bonds, Series 2016	39,102	2.25%-4.00%	2036	3,990
Bonds, Series 2017	1,191,663	3.00%-3.4%	3028	469,552
Bonds, Series 2017	905,320	4.00%	3028	355,746
Bonds, Series 2020	773,500	1.01%	2030	473,200
Bonds, Series 2020	862,750	1.01%	2030	<u>527,800</u>
Total General Refunding Bonds				<u>\$ 5,705,648</u>
Contract Revenue Bonds - GTUA:				
Contract Revenue Bond				
Series 2010	\$ 4,585,680	4.13%	2030	\$ 1,600,560
Series 2011	4,100,000	.021%-2.587%	2031	2,125,000
Series 2011-A	2,000,000	.174%-2.822%	2031	1,065,000
Series 2012	1,135,000	.140%-1.860%	2032	570,000
Series 2022	2,705,000	2.36%-3.60%	2042	<u>2,595,000</u>
Total Contract Revenue Bond				<u>\$ 7,955,560</u>
Total bonded debt - Enterprise activities				<u>\$ 36,647,817</u>

The annual debt service requirements to the maturity for long-term debt outstanding as of September 30, 2024, are as follows:

Year Ended September 30,	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 620,394	\$ 321,698	\$ 724,606	\$ 144,415
2026	641,613	298,153	748,387	126,095
2027	495,873	274,741	679,127	109,912
2028	510,383	248,928	699,617	94,424
2029	688,326	223,474	496,674	80,586
2030-2034	1,082,301	63,375	1,972,524	220,009
2035-2036	295,254	9,666	384,713	12,596
Total	<u>\$ 4,334,144</u>	<u>\$ 1,440,035</u>	<u>\$ 5,705,648</u>	<u>\$ 788,037</u>

Year Ended September 30,	Certificates of Obligation			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 521,939	\$ 296,629	\$ 1,343,062	\$ 888,221
2026	450,766	238,636	1,438,810	824,322
2027	457,665	223,875	1,486,912	774,726
2028	405,764	209,914	1,517,188	723,099
2029	414,048	196,750	1,560,289	670,108
2030-2034	3,211,244	773,060	7,614,824	2,451,689
2035-2039	4,032,497	409,118	4,731,449	1,177,728
2040-2044	3,869,466	112,970	3,294,075	292,563
Total	<u>\$ 13,363,389</u>	<u>\$ 2,460,952</u>	<u>\$ 22,986,609</u>	<u>\$ 7,802,456</u>

Year Ended September 30,	Contract Revenue Bonds	
	Business-Type Activities	
	Principal	Interest
2025	\$ 790,960	\$ 204,067
2026	812,440	186,694
2027	828,920	168,188
2028	850,400	148,773
2029	871,880	128,007
2030-2034	2,420,960	361,798
2035-2039	725,000	179,054
2040-2044	655,000	47,953
Total	<u>\$ 7,955,560</u>	<u>\$ 1,424,534</u>

## Arbitrage

The Tax Reform act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the City. The City has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations and the City has reported an arbitrage liability at year end in the amount of \$618,160.

## **Landfill Closure and Postclosure Care Costs**

State and federal laws and regulations require the City place a final cover on its municipal landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City's landfill was considered full September 30, 1994. The estimated total cost of the landfill closure and postclosure care cost of \$1,075,000 was recognized at September 30, 1993, was based on an amount that would be paid if all services required to close, monitor, and maintain the landfill were incurred as of September 30, 1993. However, the actual costs of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. In recent years, to comply with State regulations, the postclosure liability has been increased to adjust for inflation. The balance of the liability at September 30, 2024 was \$830,234. The change in postclosure care costs liability for the fiscal year ended September 30, 2024 was an increase of \$28,335.

## **Contractual Obligations**

### Greater Texoma Utility Authority

Included in amounts reported as City's long-term debt are obligations entered into with the Greater Texoma Utility Authority (GTUA). Under the terms of the long-term water supply and sewer service contracts, GTUA uses bonded debt to finance and manage the construction of water and sewer infrastructure that is used by the City in operations. In turn, GTUA is granted an undivided ownership interest in the constructed assets equivalent to the percentage of the total cost of the facility provided by GTUA through the issuance of GTUA bonds. The City is then obligated to make payments to GTUA sufficient to fund:

1. The principal and interest on GTUA's bonds;
2. The maintenance of a reserve fund for the security and payment of GTUA's bonds;
3. The administrative and overhead expenses of GTUA directly attributable to the bonds; and
4. Any extraordinary expenses incurred by GTUA in connection with the bonds.

These agreements are in effect for each related GTUA bond project and remain in effect until that bond has been paid in full, is retired, and is no longer outstanding. At that time, GTUA's ownership interest in the facilities terminates.

As part of the City's obligation to GTUA, the City covenants that it will charge water fees sufficient to cover the debt service each year using operating funds. For the year ended September 30, 2024, operating revenues of the water sewer fund were \$12.8 million, and the required payments made to GTUA under these agreements were \$774 thousand.

### Lake Texoma Reallocation Project

GTUA facilitated the issuance of bonds to finance acquisition of water storage rights in Lake Texoma. The Lake Texoma Reallocation Project is comprised of the cities of Collinsville, Denison, Gainesville, Gunter, Lindsay, Pottsboro, Sherman, Southmayd, Whitesboro and the special utility districts of Marilee, Northwest Grayson County, Two Way Water, and Red River Authority. Revenues from the City are pledged to secure the bond debt. During the year ended September 30, 2024, the City paid \$292,190.

## **IX. DEFINED BENEFIT PENSION PLAN**

### **Plan Description**

The City participates as one of 934 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at [tmrs.com](http://tmrs.com).

## 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.

The City grants monetary credits for service rendered of a theoretical amount equal to two times what would have been contributed by the employee, with interest. Monetary credits, also known as the matching ratio, are 150% of the employee's accumulated contributions and are only payable in the form of an annuity.

Employee deposit rate	6%
Matching ratio (City to employee)	1.5 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, 5 years at age 60 and above
Updated service credit	100% repeating transfers
Annual increase to retirees	70% of CIP, repeating

## Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	157
Inactive employees entitled to but not yet receiving benefits	154
Active employees	<u>224</u>
Total	<u>535</u>

## Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the municipal matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the municipality. Under the state law governing TMRS, the contribution rate for each municipality 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 were required to contribute 6% of their annual gross earnings during the fiscal year. The required contribution rates for the City were 5.46% and 5.52% in the calendar years 2023 and 2024, respectively. The City elected contribution rate was 10.65% and 12.53% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were \$2,183,207, including \$250,000 additional contributions.

## Net Pension Liability

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

## Actuarial Assumptions

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

Inflation	2.50% per year
Overall payroll growth	2.55% 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 table. 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 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of arithmetic real rates return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	6.70%
Core fixed income	6.00%	4.70%
Non-core fixed income	20.00%	8.00%
Other Public and Private Markets	12.00%	8.00%
Real estate	12.00%	7.60%
Hedge Funds	5.00%	6.40%
Private Equity	10.00%	11.60%
Total	100.00%	

## 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.

## Changes in Net Pension Liability

The City's net pension liability is generally liquidated by the General Fund, proprietary funds, and the component unit. As of September 30, 2024, the City reported the following changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 12/31/2022	\$ 58,610,817	\$ 49,650,534	\$ 8,960,283
Changes for the year:			
Service cost	1,873,696	-	1,873,696
Interest	4,214,253	-	4,214,253
Changes in benefit terms	4,115,257	-	4,115,257
Difference between expected and actual experience	582,951	-	582,951
Change in assumptions	(498,975)	-	(498,975)
Contributions - employer	-	2,288,366	(2,288,366)
Contributions - employee	-	837,094	(837,094)
Net investment income	-	5,751,617	(5,751,617)
Benefit payments, including refunds of employee contributions	(2,459,078)	(2,459,078)	-
Administrative expense	-	(36,558)	36,558
Other changes	-	(253)	253
Net changes	<u>7,828,104</u>	<u>6,381,188</u>	<u>1,446,916</u>
Balance at 12/31/2023	<u>\$ 66,438,921</u>	<u>\$ 56,031,722</u>	<u>\$ 10,407,199</u>

At September 30, 2024, the Component Unit reported the following changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 12/31/2022	\$ 1,515,175	\$ 1,283,539	\$ 231,636
Changes for the year:			
Service cost	48,438	-	48,438
Interest	108,945	-	108,945
Changes in benefit terms	106,385	-	106,385
Difference between expected and actual experience	15,070	-	15,070
Change in assumptions	(12,899)	-	(12,899)
Contributions - employer	-	59,158	(59,158)
Contributions - employee	-	21,640	(21,640)
Net investment income	-	148,688	(148,688)
Benefit payments, including refunds of employee contributions	(63,571)	(63,571)	-
Administrative expense	-	(945)	945
Other changes	-	(7)	7
Net changes	<u>202,368</u>	<u>164,963</u>	<u>37,405</u>
Balance at 12/31/2023	<u>\$ 1,717,543</u>	<u>\$ 1,448,502</u>	<u>\$ 269,041</u>

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

	1% Decrease in Discount Rate (5.75%)	Current Single Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 19,959,291	\$ 10,407,199	\$ 2,582,414
Component unit's net pension liability	515,977	269,041	66,759
Total	<u>\$ 20,475,268</u>	<u>\$ 10,676,240</u>	<u>\$ 2,649,173</u>

### 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 electronically at [www.TMRS.com](http://www.TMRS.com).

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

For the year ended September 30, 2024, the City and the component unit recognized pension expense of \$5,953,889 and \$153,917, respectively.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 531,472	\$ -
Changes in actuarial assumptions	-	353,076
Difference between projected and actual investment earnings	1,281,571	-
Contributions subsequent to the measurement date	<u>1,480,917</u>	<u>-</u>
Total	<u>\$ 3,293,960</u>	<u>\$ 353,076</u>

At September 30, 2024, the component unit 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	\$ 13,739	\$ -
Changes in actuarial assumptions	-	9,128
Difference between projected and actual investment earnings	33,130	-
Contributions subsequent to the measurement date	<u>38,284</u>	<u>-</u>
Total	<u>\$ 85,153</u>	<u>\$ 9,128.0</u>

The City and component unit reported \$1,480,917 and \$38,284, respectively, as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended September 30,	City	Component Unit
2025	\$ 473,080	\$ 12,230
2026	470,587	12,165
2027	996,342	25,757
2028	(480,042)	(12,411)

## X. OTHER POST-EMPLOYMENT BENEFITS PLAN

### Plan Description.

The City voluntarily participates in a multiple-employer other post-employment benefit (OPEB) plan administered by TMRS. The Plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identically to the City's pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. No assets are accumulated in a trust. The Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

### Benefits Provided.

The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other employment benefit and is a fixed amount of \$7,500.

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

Inactive employees or beneficiaries currently receiving benefits	108
Inactive employees entitled to but not yet receiving benefits	33
Active employees	<u>224</u>
Total	<u>365</u>

### Contributions.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.39% for 2023 and 0.38% for 2024, of which 0.19% and 0.18%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City and Component Unit's contributions to the SDBF for the year ended September 30, 2024 was \$27,389 and \$708, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

### Actuarial Assumptions.

The City and Component Unit's total OPEB liability of \$678,136 and \$17,531, respectively, were measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate	3.77% per year
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females.

In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who became disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor. Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are wholly accounted for under the provisions of GASB Statement No. 68.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period December 31, 2018 to December 31, 2022. Changes in assumptions reflect the annual change in the municipal bond rate.

### Discount Rate.

A single discount rate of 3.77% was used to measure the total OPEB liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from the City is made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023.

### Discount Rate Sensitivity Analysis.

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.77%) in measuring the total OPEB Liability.

	1% Decrease in Discount Rate (2.77%)	Current Single Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
City's total OPEB liability	\$ 798,086	\$ 678,136	\$ 583,150
Component unit's total OPEB liability	<u>20,632</u>	<u>17,531</u>	<u>15,075</u>
Total	<u>\$ 818,718</u>	<u>\$ 695,667</u>	<u>\$ 598,225</u>

### **OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs.**

At September 30, 2024, the City and component unit reported a total OPEB liability of \$678,136 and \$17,531, respectively. The total OPEB Liability was determined by an actuarial valuation as of December 31, 2023. For the year ended September 30, 2024, the City and component unit recognized OPEB expense of \$15,609 and \$404, respectively. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

#### **Changes in the Total OPEB Liability**

At September 30, 2024, the City reported Total OPEB liabilities related to other post-employment benefits from the following sources:

	<u>Increase (Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at 12/31/2022	\$ 629,169
Changes for the year:	
Service cost	22,323
Interest	25,397
Difference between expected and actual experience	(4,220)
Change in assumptions	31,975
Benefit payments, including refunds of employee contributions	<u>(26,508)</u>
Net changes	<u>48,967</u>
Balance at 12/31/2023	<u>\$ 678,136</u>

At September 30, 2024, the component unit reported net OPEB liabilities related to other post-employment benefits from the following sources:

	<u>Increase (Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at 12/31/2022	\$ 16,265
Changes for the year:	
Service cost	577
Interest	656
Difference between expected and actual experience	(109)
Change in assumptions	827
Benefit payments, including refunds of employee contributions	<u>(685)</u>
Net changes	<u>1,266</u>
Balance at 12/31/2023	<u>\$ 17,531</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 4.05% to 3.77%.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 40,600
Changes in actuarial assumptions	70,052	179,422
Contributions subsequent to the measurement date	<u>20,694</u>	<u>-</u>
Total	<u>\$ 90,746</u>	<u>\$ 220,022</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 1,050
Changes in actuarial assumptions	1,811	4,639
Contributions subsequent to the measurement date	<u>537</u>	<u>-</u>
Total	<u>\$ 2,348</u>	<u>\$ 5,689</u>

The City and component unit reported \$20,694 and \$537, respectively, as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For the Year Ended September 30,</u>	<u>City</u>	<u>Component Unit</u>
2025	\$ (36,385)	\$ (941)
2026	(56,335)	(1,456)
2027	(53,883)	(1,393)
2028	(3,367)	(88)

## **XI. ACCOUNTING CHANGES AND ERROR CORRECTIONS**

### **Changes within the Financial Reporting Entity**

During the year the City had changes within the financial reporting entity:

1. The American Recovery Grant Fund was previously reported as a major governmental fund and is now reported as a nonmajor fund. The change in classification is required based on quantitative factors.

### **Error Corrections**

During the year, the City had the following error corrections:

1. An error occurred in the prior year that incorrectly decreased the deferred inflows of resources related to municipal court receivables and recorded the changes in deferred inflows as revenue in the General Fund. The correction increased deferred inflows and decreased the beginning fund balance in the amount of \$275,850.

	9/30/2023 As Previously Reported	Change Within Financial Reporting Entity	Error Correction (1)	9/30/2023 As Restated
<b>Government-Wide</b>				
Governmental activities	\$ 43,433,945	\$ -	\$ (275,850)	\$ 43,158,095
Total primaty government	<u>\$ 43,433,945</u>	<u>\$ -</u>	<u>\$ (275,850)</u>	<u>\$ 43,158,095</u>
<b>Governmental Funds</b>				
Major funds:				
General fund	\$ 8,962,091	\$ -	\$ (275,850)	\$ 8,686,241
American recovery grant	208,852	(208,852)	-	-
Nonmajor funds	<u>10,739,506</u>	<u>208,852</u>	<u>-</u>	<u>10,948,358</u>
Total government funds	<u>\$ 19,910,449</u>	<u>\$ -</u>	<u>\$ (275,850)</u>	<u>\$ 19,634,599</u>

## XII. NEW ACCOUNTING PRONOUNCEMENTS

Significant new accounting standards issued by the GASB but not yet implemented by the City include the following:

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

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

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

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

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

**CITY OF GAINESVILLE, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 7,440,547	\$ 7,458,545	\$ 7,545,130	\$ 86,585
Sales taxes	6,248,000	7,370,550	8,002,467	631,917
Franchise taxes	1,248,000	1,221,000	1,537,028	316,028
Mixed beverage tax	36,000	36,000	41,606	5,606
Service charges	1,040,000	1,160,600	1,299,463	138,863
License & permits	468,500	466,000	597,120	131,120
Fines & forfeitures	382,700	377,000	381,531	4,531
Investment income	425,000	625,000	782,848	157,848
Intergovernmental revenues	-	251,522	964,011	712,489
Other income	<u>693,900</u>	<u>911,811</u>	<u>452,865</u>	<u>(458,946)</u>
Total revenues	<u>17,982,647</u>	<u>19,878,028</u>	<u>21,604,069</u>	<u>1,726,041</u>
<b>EXPENDITURES</b>				
General government:				
Administration	822,973	790,108	729,023	61,085
Human resources	283,514	290,748	284,538	6,210
Information technology	336,551	362,209	358,832	3,377
Building operations	71,244	71,244	60,074	11,170
Public assistance programs	159,450	159,450	132,050	27,400
Municipal court	316,600	318,392	301,405	16,987
Civic center operations	<u>271,962</u>	<u>272,386</u>	<u>263,753</u>	<u>8,633</u>
Total general government	<u>2,262,294</u>	<u>2,264,537</u>	<u>2,129,675</u>	<u>134,862</u>
Community development:				
Planning and zoning	353,292	344,258	355,387	(11,129)
Code compliance	<u>303,465</u>	<u>298,699</u>	<u>295,968</u>	<u>2,731</u>
Total community development	<u>656,757</u>	<u>642,957</u>	<u>651,355</u>	<u>(8,398)</u>
Finance	669,735	670,490	664,407	6,083
Public safety:				
Police	6,665,123	6,625,140	6,429,378	195,762
Emergency management	39,921	38,277	37,944	333
Fire	<u>5,330,107</u>	<u>5,604,573</u>	<u>5,807,176</u>	<u>(202,603)</u>
Total public safety	<u>12,035,151</u>	<u>12,267,990</u>	<u>12,274,498</u>	<u>(6,508)</u>

**CITY OF GAINESVILLE, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>EXPENDITURES (continued):</b>				
Public works:				
Administration	114,992	114,225	114,602	(377)
Street maintenance	976,371	946,016	898,498	47,518
Central garage	324,336	333,135	335,377	(2,242)
Parks and recreation operations	1,143,959	1,138,911	1,067,657	71,254
Zoo operations	1,570,475	1,536,216	1,488,462	47,754
Cemetery Operations	340,379	324,481	306,553	17,928
Total public works	<u>4,470,512</u>	<u>4,392,984</u>	<u>4,211,149</u>	<u>181,835</u>
Capital outlay	<u>633,910</u>	<u>653,130</u>	<u>343,203</u>	<u>309,927</u>
<b>TOTAL EXPENDITURES</b>	<u>20,728,359</u>	<u>20,892,088</u>	<u>20,274,287</u>	<u>617,801</u>
Excess of revenues over expenditures	<u>(2,745,712)</u>	<u>(1,014,060)</u>	<u>1,329,782</u>	<u>1,108,240</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds on sale of fixed assets	-	45,028	45,028	-
Transfers in	2,972,825	2,985,825	3,772,956	787,131
Transfers out	<u>(190,000)</u>	<u>(144,033)</u>	<u>(3,007,371)</u>	<u>(2,863,338)</u>
Total other financing sources (uses)	<u>2,782,825</u>	<u>2,886,820</u>	<u>810,613</u>	<u>(2,076,207)</u>
<b>NET CHANGE IN FUND BALANCE</b>	37,113	1,872,760	2,140,395	267,635
<b>FUND BALANCE - BEGINNING</b>	<u>8,962,091</u>	<u>8,962,091</u>	<u>8,962,091</u>	<u>-</u>
<b>ADJUSTMENTS</b>	<u>-</u>	<u>-</u>	<u>(275,850)</u>	<u>(275,850)</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 8,999,204</u>	<u>\$ 10,834,851</u>	<u>\$ 10,826,636</u>	<u>\$ (8,215)</u>

**CITY OF GAINESVILLE, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Measurement year December 31,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total pension liability</b>				
Service cost	\$ 1,922,134	\$ 1,541,056	\$ 1,452,055	\$ 1,399,262
Interest on total pension liability	4,323,198	3,825,017	3,614,936	3,434,978
Changes in benefit terms	4,221,642	-	-	-
Difference between expected and actual experience	598,021	143,213	376,949	52,630
Change or assumptions	(511,874)	-	-	-
Benefit payments/refunds of contributions	<u>(2,522,649)</u>	<u>(2,559,375)</u>	<u>(2,192,891)</u>	<u>(2,301,534)</u>
Net change in total pension liability	<u>8,030,472</u>	<u>2,949,911</u>	<u>3,251,049</u>	<u>2,585,336</u>
 Total pension liability, beginning	 <u>60,125,992</u>	 <u>57,176,081</u>	 <u>53,925,032</u>	 <u>51,339,696</u>
 Total pension liability, ending (a)	 <u>\$ 68,156,464</u>	 <u>\$ 60,125,992</u>	 <u>\$ 57,176,081</u>	 <u>\$ 53,925,032</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 2,347,524	\$ 3,056,953	\$ 2,994,006	\$ 1,491,158
Contributions - employee	858,734	820,471	766,991	735,164
Net investment income	5,900,305	(3,907,457)	5,993,005	3,249,841
Benefit payments/refunds of contributions	(2,522,649)	(2,559,375)	(2,192,891)	(2,301,534)
Administrative expenses	(37,503)	(33,805)	(27,737)	(21,037)
Other	<u>(260)</u>	<u>40,339</u>	<u>190</u>	<u>(821)</u>
Net change in fiduciary net position	<u>6,546,151</u>	<u>(2,582,874)</u>	<u>7,533,564</u>	<u>3,152,771</u>
 Fiduciary net position, beginning	 <u>50,934,073</u>	 <u>53,516,947</u>	 <u>45,983,383</u>	 <u>42,830,612</u>
 Fiduciary net position, ending (b)	 <u>\$ 57,480,224</u>	 <u>\$ 50,934,073</u>	 <u>\$ 53,516,947</u>	 <u>\$ 45,983,383</u>
 <b>Net pension liability = (a)-(b)</b>	 <u>10,676,240</u>	 <u>9,191,919</u>	 <u>3,659,134</u>	 <u>7,941,649</u>
 Fiduciary net position as a percentage of total pension liability	 84.34%	 84.71%	 93.60%	 85.27%
 Covered payroll	 \$ 14,312,238	 \$ 13,447,260	 \$ 12,770,933	 \$ 12,252,735
 Net pension liability as a percentage of covered employee payroll	 74.60%	 68.36%	 28.65%	 64.82%

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 1,384,495	\$ 1,311,903	\$ 1,044,140	\$ 1,032,475	\$ 983,604	\$ 904,131
3,254,251	3,129,818	2,800,533	2,675,417	2,667,580	2,583,710
-	3,430,995	-	-	-	-
160,325	(416,450)	(476,904)	17,839	(96,053)	(277,847)
110,743	-	-	-	(78,753)	-
<u>(2,177,988)</u>	<u>(2,258,256)</u>	<u>(1,850,434)</u>	<u>(1,907,792)</u>	<u>(2,036,560)</u>	<u>(2,066,593)</u>
<u>2,731,826</u>	<u>5,198,010</u>	<u>1,517,335</u>	<u>1,817,939</u>	<u>1,439,818</u>	<u>1,143,401</u>
<u>48,607,870</u>	<u>43,409,860</u>	<u>41,892,525</u>	<u>40,074,586</u>	<u>38,634,768</u>	<u>37,491,367</u>
<u>\$ 51,339,696</u>	<u>\$ 48,607,870</u>	<u>\$ 43,409,860</u>	<u>\$ 41,892,525</u>	<u>\$ 40,074,586</u>	<u>\$ 38,634,768</u>
\$ 1,683,674	\$ 1,090,028	\$ 1,041,967	\$ 991,986	\$ 1,006,406	\$ 1,106,406
725,499	568,908	543,257	532,753	518,232	524,860
5,706,203	(1,159,231)	4,746,611	2,191,755	48,641	1,808,335
(2,177,988)	(2,258,256)	(1,850,434)	(1,907,792)	(2,036,560)	(2,066,593)
(32,257)	(22,409)	(24,603)	(24,783)	(29,628)	(18,881)
(969)	(1,170)	(1,247)	(1,335)	(1,463)	(1,552)
<u>5,904,162</u>	<u>(1,782,130)</u>	<u>4,455,551</u>	<u>1,782,584</u>	<u>(494,372)</u>	<u>1,352,575</u>
<u>36,926,450</u>	<u>38,708,580</u>	<u>34,253,029</u>	<u>32,470,445</u>	<u>32,964,817</u>	<u>31,612,242</u>
<u>\$ 42,830,612</u>	<u>\$ 36,926,450</u>	<u>\$ 38,708,580</u>	<u>\$ 34,253,029</u>	<u>\$ 32,470,445</u>	<u>\$ 32,964,817</u>
<u>8,509,084</u>	<u>11,681,420</u>	<u>4,701,280</u>	<u>7,639,496</u>	<u>7,604,141</u>	<u>5,669,951</u>
83.43%	75.97%	89.17%	81.76%	81.03%	85.32%
\$ 12,091,656	\$ 11,378,167	\$ 10,865,140	\$ 10,655,057	\$ 10,364,634	\$ 10,295,465
70.37%	102.67%	43.27%	71.70%	73.37%	55.07%

**CITY OF GAINESVILLE, TEXAS**

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS  
TEXAS MUNICIPAL RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2024

<b>Fiscal Year ended September 30,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Actuarially determined contribution	\$ 1,520,690	\$ 1,524,383	\$ 1,645,528	\$ 1,614,216
Contributions in relation to the actuarially determined contribution	<u>(2,210,397)</u>	<u>(2,553,119)</u>	<u>(4,005,586)</u>	<u>(1,614,216)</u>
Contribution deficiency (excess)	(689,707)	(1,028,736)	(2,360,058)	-
Covered payroll	15,408,441	13,986,255	13,313,333	13,060,381
Contributions as a percentage of covered payroll	14.35%	18.25%	30.09%	12.36%

**NOTES TO SCHEDULE OF CONTRIBUTIONS**

**Valuation Date:**

Actuarially determined contribution rates are calculated as of December 31st 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	21 years (longest amortization ladder)
Asset valuation method	10 year smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.85% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that vary by age. Last updated for the 2023

Mortality valuation pursuant to an experience study of the period ending 2022  
Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

**Other Information:**

Notes Increase employee contribution rate from 6% to 7%

<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 1,470,524	\$ 1,380,098	\$ 1,061,273	\$ 1,048,344	\$ 1,024,989	\$ 1,047,978
<u>(1,470,524)</u>	<u>(1,603,100)</u>	<u>(1,061,273)</u>	<u>(1,048,344)</u>	<u>(1,024,989)</u>	<u>(1,047,978)</u>
-	(223,002)	-	-	-	-
12,107,573	12,139,096	11,074,513	10,790,139	10,364,634	10,364,634
12.15%	13.21%	9.58%	9.72%	9.89%	10.11%

**CITY OF GAINESVILLE, TEXAS**

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
SUPPLEMENTAL DEATH BENEFIT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Measurement year December 31,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total OPEB liability</b>				
Service cost	\$ 22,900	\$ 47,065	\$ 38,313	\$ 29,407
Interest on total OPEB liability	26,053	17,127	18,605	21,681
Difference between expected and actual experience	(4,329)	(11,668)	(62,325)	(11,166)
Change or assumptions	32,802	(300,927)	26,527	113,266
Benefit payments/refunds of contributions	<u>(27,193)</u>	<u>(26,895)</u>	<u>(22,988)</u>	<u>(8,577)</u>
Net change in total OPEB liability	<u>50,233</u>	<u>(275,298)</u>	<u>(1,868)</u>	<u>144,611</u>
 Total OPEB liability, beginning	 <u>645,434</u>	 <u>920,732</u>	 <u>922,600</u>	 <u>777,989</u>
 Total OPEB liability, ending (b)	 <u>\$ 695,667</u>	 <u>\$ 645,434</u>	 <u>\$ 920,732</u>	 <u>\$ 922,600</u>
 Covered - employee payroll	 \$14,312,238	 \$ 13,447,260	 \$12,770,933	 \$12,252,735
 Total OPEB liability as a percentage of covered employee payroll	 4.86%	 4.80%	 7.21%	 7.53%

Note: GASB Statement 75 requires this schedule to report 10 years of data. Data prior to 2017 is not available. No assets are accumulated in a trust for the SDB plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 20,556	\$ 23,894	\$ 19,557
24,977	22,453	22,391
(45,537)	1,357	-
119,281	(43,517)	49,108
<u>(8,464)</u>	<u>(6,827)</u>	<u>(7,606)</u>
<u>110,813</u>	<u>(2,640)</u>	<u>83,450</u>
 <u>667,176</u>	 <u>669,816</u>	 <u>586,366</u>
 \$ <u>777,989</u>	 \$ <u>667,176</u>	 \$ <u>669,816</u>
 \$ 10,091,656	 \$ 11,378,167	 \$ 10,865,140
 7.71%	 5.86%	 6.16%

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**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

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## Special Revenue Funds

Special Revenue Funds are used to account for proceeds of federal, state, and local grant revenues that are legally restricted to expenditures for specified purposes.

**Municipal Court Technology Fund** – To account for funds to be utilized to improve technology.

**Municipal Court Security Fund** – To account for funds required to be utilized to improve security, and efficiency and the Municipal Court.

**Hotel/Motel Tax Fund** – To account for taxes which are used for the promotion of tourism, support Chamber of Commerce’s tourism program, and support for local historic buildings, museums, and the arts within the City.

**Law Enforcement Education** – These funds are provided by the State of Texas to law enforcement agencies for costs that are associated with training.

**Federal Seizure** – These funds are obtained through property and currency seizures that are awarded to the Police Department by the United States Department of Justice Asset Forfeiture Program through the civil asset forfeiture process.

**Impact Fees Service Area A Fund** – To account for water impact fees received and related interest revenue derived from new development projects permitted by the City.

**Municipal Court Juvenile Case Manager Fund** – To account for funds to be utilized for salary paid to the Juvenile Case Manager.

**American Recovery Grant Fund** – is used to account for proceeds related to the American Rescue Plan grant. Expenditures are limited to allowable costs in accordance with grant guidelines.

**City Athletic Field Fund** – To account for funds received from all athletic leagues with an athletic service agreement on file with parks and recreation department. The enhancement fee collected shall also be used for improvement of the athletic facilities as approved by the city Council.

**State Seizure** – These funds are obtained through property and currency seizures that are awarded by the Police Department by the State of Texas through the civil asset forfeitures process.

**Cable Peg Fee Fund** – To account for one percent fee paid by Time Warner to support public, educational and governmental (PEG) programming. These funds may be used only to support capital costs (e.g. equipment) related to PEG channels.

**Coronavirus Fund** – To account for expenditures incurred due the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

**Impact Fees Service Area B Fund** – To account for wastewater impact fees received and related interest revenue derived from new development projects permitted by the City.

**RCI Gainesville TIRZ Fund** – To account for the expenses incurred by the City in creating a Tax Increment Reinvestment Zone (TIRZ) requested by the developer RCI Gainesville 110 LP.

**Mesa MUD Fund** – To account for the cost of developing the Elm Fork MUD #1. The developer deposits the money to cover the City’s expenses.

**Opioid Settlement Fund** – To account for money that was recovered through the statewide opioid settlement agreements to be directed to toward addressing the opioid crisis in Texas.

**PID Liberty Pointe Fund** – To account for Public Improvement District#1 (PID) creation and operation expenses which will be paid by the developer.

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**PID Liberty Pointe Escrow Fund** – To account for Public Improvement District#1 (PID) creation and operation expenses which will be paid by the developer.

**Foundry Road Fund** – To account for expenses incurred by the City to enlarge a water distribution pipeline.

### **Capital Projects Funds**

**Other Capital Projects Fund** – To account for the remaining proceeds and use of projects.

**Sewer Line Improvement Fund** – To account for expenses incurred by the City to enlarge and extend the City’s southern sanitary sewer collection system.

**2024 CO Bonds** – is used to account for the proceeds of the 2024 Certificates of Obligation. Expenditures are limited to projects set forth in the planning documents for this debt issuance.

### **Debt Service Fund**

**Debt Service Fund** – To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

### **Permanent Funds**

**Cemetery Permanent Trust Fund** – To account for the principal trust amounts received and related interest revenue derived from the sale of cemetery lots. The interest revenue of the trust is used to assist in funding the operations of the Fairview Cemetery accounted for in the General Fund.

**Cohen Scholarship Fund** – To account for the donation from the Harry Cohen estate and associated interest revenue, which is to be used for granting annual scholarships to Gainesville High School graduating students continuing their education at the University of Texas.

**CITY OF GAINESVILLE, TEXAS**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Special Revenue Funds			
	Municipal Court Technology	Municipal Court Security	Hotel/ Motel	Law Enforcement Education
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,891	\$ 33,148	\$ 565,788	\$ 202
Receivables (net of allowance):				
Taxes	-	-	-	-
Other	-	-	78,612	-
Total assets	<u>11,891</u>	<u>33,148</u>	<u>644,400</u>	<u>202</u>
<b>LIABILITIES</b>				
Accounts payable	-	-	19,991	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>19,991</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable for:				
Cemetery	-	-	-	-
Restricted for:				
Debt service	-	-	-	-
Grants	-	-	-	-
Tourism and the arts	-	-	624,409	-
Other	11,891	33,148	-	202
Assigned for:				
Capital projects	-	-	-	-
Other	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>11,891</u>	<u>33,148</u>	<u>624,409</u>	<u>202</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,891</u>	<u>\$ 33,148</u>	<u>\$ 644,400</u>	<u>\$ 202</u>

Special Revenue Funds

Federal Seizure Fund	Impact Fees Service Area A	Municipal Court Juv Case Manager	American Recovery Grant*	City Athletic Fields	State Seizure	Cable PEG Fee Fund
\$ 53	\$ 66,606	\$ 25,992	\$ 2,093,526	\$ 57,054	\$ 70,051	\$ 228,435
-	-	-	-	-	-	-
-	-	-	-	-	645	3,297
<u>53</u>	<u>66,606</u>	<u>25,992</u>	<u>2,093,526</u>	<u>57,054</u>	<u>70,696</u>	<u>231,732</u>
-	-	299	111,205	-	-	195
-	-	-	1,711,441	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>299</u>	<u>1,822,646</u>	<u>-</u>	<u>-</u>	<u>195</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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**CITY OF GAINESVILLE, TEXAS**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Special Revenue Funds			
	Coronavirus Fund	Impact Fees Service Area B	RCI Gainesville TIRZ	Mesa MUD
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 471,759	\$ 4,916	\$ 2,423
Receivables (net of allowance):				
Taxes	-	-	-	-
Other	-	-	-	-
Total assets	<u>-</u>	<u>471,759</u>	<u>4,916</u>	<u>2,423</u>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	70
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>70</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable for:				
Cemetery	-	-	-	-
Restricted for:				
Debt service	-	-	-	-
Grants	-	-	-	-
Tourism and the arts	-	-	-	-
Other	-	-	-	-
Assigned for:				
Capital projects	-	-	-	-
Other	-	471,759	4,916	2,353
Unassigned	-	-	-	-
Total fund balances	<u>-</u>	<u>471,759</u>	<u>4,916</u>	<u>2,353</u>
Total liabilities, deferred inflows of Resources and fund balances	<u>\$ -</u>	<u>\$ 471,759</u>	<u>\$ 4,916</u>	<u>\$ 2,423</u>

Opioid Settlement	Special Revenue Funds			Capital Projects Funds	
	PID Liberty Pointe	PID Liberty Pointe Escrow	Foundry Road	Capital Projects Fund	2024 CO Bonds
\$ 60,917	\$ 9,453	\$ 26,097	\$ -	\$ 4,530,385	\$ 4,195,328
-	-	-	-	-	-
-	-	-	-	15,000	-
<u>60,917</u>	<u>9,453</u>	<u>26,097</u>	<u>-</u>	<u>4,545,385</u>	<u>4,195,328</u>
-	-	281	26,860	114	14,500
-	-	-	-	-	-
-	-	-	81,125	-	-
<u>-</u>	<u>-</u>	<u>281</u>	<u>107,985</u>	<u>114</u>	<u>14,500</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,453	25,816	-	-	-
-	-	-	-	4,545,271	4,180,828
60,917	-	-	-	-	-
-	-	-	(107,985)	-	-
<u>60,917</u>	<u>9,453</u>	<u>25,816</u>	<u>(107,985)</u>	<u>4,545,271</u>	<u>4,180,828</u>
<u>\$ 60,917</u>	<u>\$ 9,453</u>	<u>\$ 26,097</u>	<u>\$ -</u>	<u>\$ 4,545,385</u>	<u>\$ 4,195,328</u>

**CITY OF GAINESVILLE, TEXAS**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	<u>Capital Projects Sewer Line Improvement</u>	<u>Debt Service Debt Service Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,124,203	\$ 2,007,733
Receivables (net of allowance):		
Taxes	-	69,585
Other	-	-
Total assets	<u>2,124,203</u>	<u>2,077,318</u>
<b>LIABILITIES</b>		
Accounts payable	1,126,064	2,850
Unearned revenue	-	-
Due to other funds	-	-
Total liabilities	<u>1,126,064</u>	<u>2,850</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue	-	69,585
Total deferred inflows of resources	<u>-</u>	<u>69,585</u>
<b>FUND BALANCES</b>		
Nonspendable for:		
Cemetery	-	-
Restricted for:		
Debt service	-	2,004,883
Grants	-	-
Tourism and the arts	-	-
Other	-	-
Assigned for:		
Capital projects	998,139	-
Other	-	-
Unassigned	-	-
Total fund balances	<u>998,139</u>	<u>2,004,883</u>
Total liabilities, deferred inflows of Resources and fund balances	<u>\$ 2,124,203</u>	<u>\$ 2,077,318</u>

Permanent Funds		
Cemetery Permanent	Cohen Scholarship	Nonmajor Governmental Funds
\$ 1,908,467	\$ 12,577	\$ 18,507,004
-	-	69,585
-	-	97,554
<u>1,908,467</u>	<u>12,577</u>	<u>18,674,143</u>
-	-	1,302,429
-	-	1,711,441
-	-	81,125
<u>-</u>	<u>-</u>	<u>3,094,995</u>
-	-	69,585
<u>-</u>	<u>-</u>	<u>69,585</u>
1,908,467	-	1,908,467
-	-	2,004,883
-	-	270,880
-	-	624,409
-	12,577	421,066
-	-	9,724,238
-	-	663,605
-	-	(107,985)
<u>1,908,467</u>	<u>12,577</u>	<u>15,509,563</u>
<u>\$ 1,908,467</u>	<u>\$ 12,577</u>	<u>\$ 18,674,143</u>

**CITY OF GAINESVILLE, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds		
	Municipal Court Technology	Municipal Court Security	Hotel/ Motel
<b>REVENUES</b>			
Taxes:			
Ad valorem taxes	\$ -	\$ -	\$ -
Occupancy tax	-	-	1,052,095
Service Charges	-	-	-
License & permits	-	-	-
Fines & forfeitures	10,512	12,779	-
Investment income	360	1,712	76,252
Intergovernmental revenues	-	-	-
Other income	-	-	-
Total revenues	10,872	14,491	1,128,347
<b>EXPENDITURES</b>			
Current:			
General government	-	-	217,750
Community development	-	-	-
Finance	-	-	-
Public safety	8,190	-	-
Capital outlay	-	10,397	163,860
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs and fees	-	-	-
Total expenditures	8,190	10,397	381,610
Excess (deficiency) of revenue over (under) expenditures	2,682	4,094	746,737
<b>OTHER FINANCING SOURCES AND USES</b>			
Issuance of long-term debt	-	-	-
Premium on debt issuance	-	-	-
Transfers in	-	-	-
Transfers out	-	-	(1,477,064)
Total other financing sources and uses	-	-	(1,477,064)
<b>NET CHANGE IN FUND BALANCES</b>	2,682	4,094	(730,327)
<b>FUND BALANCES - BEGINNING AS PREVIOUSLY REPORTED</b>	9,209	29,054	1,354,736
<b>ADJUSTMENTS</b>			
Change to or within the financial reporting entity	-	-	-
Total adjustments	-	-	-
<b>FUND BALANCES - BEGINNING AS RESTATED</b>	9,209	29,054	1,354,736
<b>FUND BALANCES - ENDING</b>	\$ 11,891	\$ 33,148	\$ 624,409

\* Formerly a major fund

Special Revenue Funds

Law Enforcement Education	Federal Seizure Fund	Impact Fees Service Area A	Municipal Court Juv Case Manager	American Recovery Grant*	City Athletic Fields	State Seizure
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	16,124	-
-	-	-	-	-	-	-
-	-	-	12,863	-	-	-
87	3	2,074	1,623	91,181	2,049	3,476
-	-	-	-	983,243	-	-
<u>6,813</u>	<u>-</u>	<u>24,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,527</u>
<u>6,900</u>	<u>3</u>	<u>26,459</u>	<u>14,486</u>	<u>1,074,424</u>	<u>18,173</u>	<u>5,003</u>
-	-	-	739	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,485	-	-	-	-	-	89
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,485</u>	<u>-</u>	<u>-</u>	<u>739</u>	<u>-</u>	<u>-</u>	<u>89</u>
<u>(585)</u>	<u>3</u>	<u>26,459</u>	<u>13,747</u>	<u>1,074,424</u>	<u>18,173</u>	<u>4,914</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
645	-	-	-	-	-	-
-	-	-	(13,000)	(1,012,396)	-	(645)
<u>645</u>	<u>-</u>	<u>-</u>	<u>(13,000)</u>	<u>(1,012,396)</u>	<u>-</u>	<u>(645)</u>
60	3	26,459	747	62,028	18,173	4,269
<u>142</u>	<u>50</u>	<u>40,147</u>	<u>24,946</u>	<u>-</u>	<u>38,881</u>	<u>66,427</u>
-	-	-	-	208,852	-	-
-	-	-	-	208,852	-	-
<u>142</u>	<u>50</u>	<u>40,147</u>	<u>24,946</u>	<u>208,852</u>	<u>38,881</u>	<u>66,427</u>
<u>\$ 202</u>	<u>\$ 53</u>	<u>\$ 66,606</u>	<u>\$ 25,693</u>	<u>\$ 270,880</u>	<u>\$ 57,054</u>	<u>\$ 70,696</u>

**CITY OF GAINESVILLE, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds		
	Cable PEG Fee Fund	Coronavirus Fund	Impact Fees Service Area B
<b>REVENUES</b>			
Taxes:			
Ad valorem taxes	\$ -	\$ -	\$ -
Occupancy tax	-	-	-
Service Charges	-	-	-
License & permits	14,782	-	-
Fines & forfeitures	-	-	-
Investment income	10,970	28,376	16,453
Intergovernmental revenues	-	-	-
Other income	-	-	206,861
Total revenues	25,752	28,376	223,314
<b>EXPENDITURES</b>			
Current:			
General government	195	-	-
Community development	-	-	-
Finance	-	-	-
Public safety	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs and fees	-	-	-
Total expenditures	195	-	-
Excess (deficiency) of revenue over (under) expenditures	25,557	28,376	223,314
<b>OTHER FINANCING SOURCES AND USES</b>			
Issuance of long-term debt	-	-	-
Premium on debt issuance	-	-	-
Transfers in	-	-	-
Transfers out	-	(937,510)	-
Total other financing sources and uses	-	(937,510)	-
<b>NET CHANGE IN FUND BALANCES</b>	25,557	(909,134)	223,314
<b>FUND BALANCES - BEGINNING AS PREVIOUSLY REPORTED</b>	205,980	909,134	248,445
<b>ADJUSTMENTS</b>			
Change to or within the financial reporting entity	-	-	-
Total adjustments	-	-	-
<b>FUND BALANCES - BEGINNING AS RESTATED</b>	205,980	909,134	248,445
<b>FUND BALANCES - ENDING</b>	\$ 231,537	\$ -	\$ 471,759

Special Revenue Funds						Capital Projects
RCI Gainesville TIRZ	Mesa MUD	Opioid Settlement	PID Liberty Pointe	PID Liberty Pointe Escrow	Foundry Road	Capital Projects Fund
\$ -	\$ -	\$ -	\$ -	\$ 2,934	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
219	152	2,251	692	4,938	-	109,289
-	-	-	-	-	180,725	-
-	-	9,404	473,989	-	-	140,167
<u>219</u>	<u>152</u>	<u>11,655</u>	<u>474,681</u>	<u>7,872</u>	<u>180,725</u>	<u>249,456</u>
-	-	-	-	-	-	91,448
-	-	-	-	434,102	-	-
1,056	1,600	-	730	-	-	-
-	-	440	-	-	-	-
-	-	-	-	-	-	1,400,555
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,056</u>	<u>1,600</u>	<u>440</u>	<u>730</u>	<u>434,102</u>	<u>-</u>	<u>1,492,003</u>
<u>(837)</u>	<u>(1,448)</u>	<u>11,215</u>	<u>473,951</u>	<u>(426,230)</u>	<u>180,725</u>	<u>(1,242,547)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	452,046	-	3,032,157
-	-	-	(452,046)	-	(278,328)	-
-	-	-	(452,046)	452,046	(278,328)	3,032,157
(837)	(1,448)	11,215	21,905	25,816	(97,603)	1,789,610
<u>5,753</u>	<u>3,801</u>	<u>49,702</u>	<u>(12,452)</u>	<u>-</u>	<u>(10,382)</u>	<u>2,755,661</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>5,753</u>	<u>3,801</u>	<u>49,702</u>	<u>(12,452)</u>	<u>-</u>	<u>(10,382)</u>	<u>2,755,661</u>
<u>\$ 4,916</u>	<u>\$ 2,353</u>	<u>\$ 60,917</u>	<u>\$ 9,453</u>	<u>\$ 25,816</u>	<u>\$ (107,985)</u>	<u>\$ 4,545,271</u>

**CITY OF GAINESVILLE, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Capital Projects		Debt Service
	Sewer Line Improvement	2024 CO Bonds	Debt Service Fund
<b>REVENUES</b>			
Taxes:			
Ad valorem taxes	\$ -	\$ -	\$ 2,397,378
Occupancy tax	-	-	-
Service Charges	-	-	-
License & permits	-	-	-
Fines & forfeitures	-	-	-
Investment income	104,738	100,942	115,459
Intergovernmental revenues	-	-	-
Other income	-	-	18,357
Total revenues	<u>104,738</u>	<u>100,942</u>	<u>2,531,194</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	160,807
Community development	-	-	-
Finance	-	-	-
Public safety	-	-	-
Capital outlay	-	42,500	-
Debt service:			
Principal	-	-	1,201,510
Interest and fiscal charges	-	-	464,020
Bond issuance costs and fees	-	90,347	-
Total expenditures	<u>-</u>	<u>132,847</u>	<u>1,826,337</u>
Excess (deficiency) of revenue over expenditures	<u>104,738</u>	<u>(31,905)</u>	<u>704,857</u>
<b>OTHER FINANCING SOURCES</b>			
Issuance of long-term debt	-	3,057,867	-
Premium on debt issuance	-	263,311	-
Transfers in	500,000	895,451	3,896
Transfers out	<u>(932,671)</u>	<u>(3,896)</u>	<u>(572,519)</u>
Total other financing sources	<u>(432,671)</u>	<u>4,212,733</u>	<u>(568,623)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(327,933)</u>	<u>4,180,828</u>	<u>136,234</u>
<b>FUND BALANCES - BEGINNING AS PREVIOUSLY REPORTED</b>	<u>1,326,072</u>	<u>-</u>	<u>1,868,649</u>
<b>ADJUSTMENTS</b>			
Change to or within the financial reporting entity	<u>-</u>	<u>-</u>	<u>-</u>
Total adjustments	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - BEGINNING AS RESTATED</b>	<u>1,326,072</u>	<u>-</u>	<u>1,868,649</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 998,139</u>	<u>\$ 4,180,828</u>	<u>\$ 2,004,883</u>

Permanent Funds		Nonmajor Governmental Funds
Cemetery Permanent	Cohen Scholarship	
\$ -	\$ -	\$ 2,400,312
-	-	1,052,095
-	-	16,124
-	-	14,782
-	-	36,154
98,695	651	772,642
-	-	1,163,968
<u>41,147</u>	<u>-</u>	<u>922,650</u>
<u>139,842</u>	<u>651</u>	<u>6,378,727</u>
-	-	470,939
-	-	434,102
-	-	3,386
-	-	16,204
-	-	1,617,312
-	-	1,201,510
-	-	464,020
<u>-</u>	<u>-</u>	<u>90,347</u>
<u>-</u>	<u>-</u>	<u>4,297,820</u>
<u>139,842</u>	<u>651</u>	<u>2,080,907</u>
-	-	3,057,867
-	-	263,311
-	-	4,884,195
<u>(45,000)</u>	<u>-</u>	<u>(5,725,075)</u>
<u>(45,000)</u>	<u>-</u>	<u>2,480,298</u>
94,842	651	4,561,205
<u>1,813,625</u>	<u>11,926</u>	<u>10,739,506</u>
-	-	208,852
<u>-</u>	<u>-</u>	<u>208,852</u>
<u>1,813,625</u>	<u>11,926</u>	<u>10,948,358</u>
<u>\$ 1,908,467</u>	<u>\$ 12,577</u>	<u>\$ 15,509,563</u>

**CITY OF GAINESVILLE, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ 100,000	\$ 100,000	\$ 253,084	\$ 153,084
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>253,084</u>	<u>153,084</u>
<b>EXPENDITURES</b>				
Current:				
General government	612,000	612,000	69,783	542,217
Capital outlay	3,135,666	3,171,033	1,943,824	1,227,209
Additional payments on pension liability	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total expenditures	<u>3,997,666</u>	<u>4,033,033</u>	<u>2,263,607</u>	<u>1,769,426</u>
Excess (deficiency) of revenues over (under) expenditures	(3,897,666)	(3,933,033)	(2,010,523)	1,922,510
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	50,000	50,000	2,860,270	2,810,270
Transfers out	<u>-</u>	<u>-</u>	<u>(1,817,387)</u>	<u>(1,817,387)</u>
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>1,042,883</u>	<u>992,883</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,847,666)	(3,883,033)	(967,640)	2,915,393
<b>FUND BALANCE - BEGINNING</b>	<u>8,161,578</u>	<u>8,161,578</u>	<u>8,161,578</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 4,313,912</u>	<u>\$ 4,278,545</u>	<u>\$ 7,193,938</u>	<u>\$ 2,915,393</u>

**CITY OF GAINESVILLE, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Ad valorem taxes	\$ 2,334,354	\$ 2,334,354	\$ 2,397,378	\$ 63,024
Investment income	31,423	100,000	115,459	15,459
Other income	<u>18,000</u>	<u>18,000</u>	<u>18,357</u>	<u>357</u>
Total revenues	<u>2,383,777</u>	<u>2,452,354</u>	<u>2,531,194</u>	<u>78,840</u>
<b>EXPENDITURES</b>				
Current:				
General government	162,500	162,500	160,807	1,693
Debt service				
Principal retirement	1,201,507	1,201,508	1,201,510	(2)
Interest and fiscal charges	<u>464,022</u>	<u>464,022</u>	<u>464,020</u>	<u>2</u>
Total expenditures	<u>1,828,029</u>	<u>1,828,030</u>	<u>1,826,337</u>	<u>1,693</u>
Excess (deficiency) of revenues over (under) expenditures	555,748	624,324	704,857	80,533
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(572,520)</u>	<u>(572,520)</u>	<u>(572,519)</u>	<u>-</u>
Total other financing sources (uses)	<u>(572,520)</u>	<u>(572,520)</u>	<u>(568,623)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(16,772)	51,804	136,234	80,533
<b>FUND BALANCE - BEGINNING</b>	<u>1,868,649</u>	<u>1,868,649</u>	<u>1,868,649</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,851,877</u>	<u>\$ 1,920,453</u>	<u>\$ 2,004,883</u>	<u>\$ 80,533</u>

**CITY OF GAINESVILLE, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
HOTEL/MOTEL FUND  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Other local taxes	\$ 950,000	\$ 1,000,000	\$ 1,052,095	\$ 52,095
Investment income	40,000	70,000	76,252	6,252
Total revenues	<u>990,000</u>	<u>1,070,000</u>	<u>1,128,347</u>	<u>58,347</u>
<b>EXPENDITURES</b>				
Current:				
General government	319,800	397,800	217,750	180,050
Capital outlay	-	81,930	163,860	(81,930)
Total expenditures	<u>319,800</u>	<u>479,730</u>	<u>381,610</u>	<u>98,120</u>
Excess (deficiency) of revenues over (under) expenditures	<u>670,200</u>	<u>590,270</u>	<u>746,737</u>	<u>156,467</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(1,461,472)</u>	<u>(1,458,750)</u>	<u>(1,477,064)</u>	<u>(18,314)</u>
Total other financing sources (uses)	<u>(1,461,472)</u>	<u>(1,458,750)</u>	<u>(1,477,064)</u>	<u>(18,314)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(791,272)</u>	<u>(868,480)</u>	<u>(730,327)</u>	<u>138,153</u>
<b>FUND BALANCE - BEGINNING</b>	<u>1,354,736</u>	<u>1,354,736</u>	<u>1,354,736</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 563,464</u>	<u>\$ 486,256</u>	<u>\$ 624,409</u>	<u>\$ 138,153</u>

**CITY OF GAINESVILLE, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
MUNICIPAL COURT JUVENILE CASE MANAGER  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Fines & forfeitures	\$ 10,230	\$ 10,230	\$ 12,863	\$ 2,633
Investment income	-	-	1,623	1,623
Total revenues	<u>10,230</u>	<u>10,230</u>	<u>14,486</u>	<u>4,256</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>1,200</u>	<u>1,200</u>	<u>739</u>	<u>461</u>
Total expenditures	<u>1,200</u>	<u>1,200</u>	<u>739</u>	<u>461</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,030</u>	<u>9,030</u>	<u>13,747</u>	<u>4,717</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>-</u>	<u>(13,000)</u>	<u>(13,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(13,000)</u>	<u>(13,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>9,030</u>	<u>(3,970)</u>	<u>747</u>	<u>4,717</u>
<b>FUND BALANCE - BEGINNING</b>	<u>24,946</u>	<u>24,946</u>	<u>24,946</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 33,976</u>	<u>\$ 20,976</u>	<u>\$ 25,693</u>	<u>\$ 4,717</u>

**CITY OF GAINESVILLE, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
MUNICIPAL COURT TECHNOLOGY  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Fines & forfeitures	\$ 10,500	\$ 10,500	\$ 10,512	\$ 12
Investment income	-	-	360	360
Total revenues	<u>10,500</u>	<u>10,500</u>	<u>10,872</u>	<u>372</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>14,300</u>	<u>14,690</u>	<u>8,190</u>	<u>6,500</u>
Total expenditures	<u>14,300</u>	<u>14,690</u>	<u>8,190</u>	<u>6,500</u>
Excess (deficiency) of revenues over (under) expenditures	(3,800)	(4,190)	2,682	6,872
<b>NET CHANGE IN FUND BALANCE</b>	(3,800)	(4,190)	2,682	6,872
<b>FUND BALANCE - BEGINNING</b>	<u>9,209</u>	<u>9,209</u>	<u>9,209</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 5,409</u>	<u>\$ 5,019</u>	<u>\$ 11,891</u>	<u>\$ 6,872</u>

**CITY OF GAINESVILLE, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
MUNICIPAL COURT SECURITY  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Fines & forfeitures	\$ 10,000	\$ 10,000	\$ 12,779	\$ 2,779
Investment income	-	-	1,712	1,712
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>14,491</u>	<u>4,491</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	750	750	-	750
Capital outlay	<u>2,500</u>	<u>12,100</u>	<u>10,397</u>	<u>1,703</u>
Total expenditures	<u>3,250</u>	<u>12,850</u>	<u>10,397</u>	<u>2,453</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,750</u>	<u>(2,850)</u>	<u>4,094</u>	<u>6,944</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>6,750</u>	<u>(2,850)</u>	<u>4,094</u>	<u>6,944</u>
<b>FUND BALANCE - BEGINNING</b>	<u>29,054</u>	<u>29,054</u>	<u>29,054</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 35,804</u>	<u>\$ 26,204</u>	<u>\$ 33,148</u>	<u>\$ 6,944</u>

**CITY OF GAINESVILLE, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
LAW ENFORCEMENT OFFICER EDUCATION  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ 25	\$ 35	\$ 87	\$ 52
Other income	2,600	6,813	6,813	-
Total revenues	<u>2,625</u>	<u>6,848</u>	<u>6,900</u>	<u>52</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	2,600	-	7,485	(7,485)
Total expenditures	<u>2,600</u>	<u>-</u>	<u>7,485</u>	<u>(7,485)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25</u>	<u>6,848</u>	<u>(585)</u>	<u>(7,433)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	645	645
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>645</u>	<u>645</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>25</u>	<u>6,848</u>	<u>60</u>	<u>(6,788)</u>
<b>FUND BALANCE - BEGINNING</b>	<u>142</u>	<u>142</u>	<u>142</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 167</u>	<u>\$ 6,990</u>	<u>\$ 202</u>	<u>\$ (6,788)</u>

**CITY OF GAINESVILLE, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ 600	\$ 3,600	\$ 3,476	\$ (124)
Other income	-	-	1,527	1,527
Total revenues	<u>600</u>	<u>3,600</u>	<u>5,003</u>	<u>1,403</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>30,227</u>	<u>1,250</u>	<u>89</u>	<u>1,161</u>
Total expenditures	<u>30,227</u>	<u>1,250</u>	<u>89</u>	<u>1,161</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(645)</u>	<u>(645)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(645)</u>	<u>(645)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(29,627)</u>	<u>2,350</u>	<u>4,269</u>	<u>1,919</u>
<b>FUND BALANCE - BEGINNING</b>	<u>66,427</u>	<u>66,427</u>	<u>66,427</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 36,800</u>	<u>\$ 68,777</u>	<u>\$ 70,696</u>	<u>\$ 1,919</u>

**CITY OF GAINESVILLE, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
CITY ATHLETIC FIELDS  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 10,000	\$ 10,000	\$ 16,124	\$ 6,124
Investment income	800	1,100	2,049	949
Total revenues	<u>10,800</u>	<u>11,100</u>	<u>18,173</u>	<u>7,073</u>
<b>EXPENDITURES</b>				
Current:				
Public works	15,000	-	-	-
Total expenditures	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(4,200)</u>	<u>11,100</u>	<u>18,173</u>	<u>7,073</u>
<b>FUND BALANCE - BEGINNING</b>	<u>38,881</u>	<u>38,881</u>	<u>38,881</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 34,681</u>	<u>\$ 49,981</u>	<u>\$ 57,054</u>	<u>\$ 7,073</u>

**CITY OF GAINESVILLE, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
CABLE PEG FEE FUND  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Licenses & permits	\$ 8,000	\$ 7,500	\$ 14,782	\$ 7,282
Investment income	6,000	8,500	10,970	2,470
Total revenues	<u>14,000</u>	<u>16,000</u>	<u>25,752</u>	<u>9,752</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	195	(195)
Total expenditures	<u>-</u>	<u>-</u>	<u>195</u>	<u>(195)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>14,000</u>	<u>16,000</u>	<u>25,557</u>	<u>9,557</u>
<b>FUND BALANCE - BEGINNING</b>	<u>205,980</u>	<u>205,980</u>	<u>205,980</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 219,980</u>	<u>\$ 221,980</u>	<u>\$ 231,537</u>	<u>\$ 9,557</u>

**CITY OF GAINESVILLE, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ 50,000	\$ 65,000	\$ 98,695	\$ 33,695
Other income	35,000	28,000	41,147	13,147
Total revenues	<u>85,000</u>	<u>93,000</u>	<u>139,842</u>	<u>46,842</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(32,000)	(45,000)	(45,000)	-
Total other financing sources (uses)	<u>(32,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>53,000</u>	<u>48,000</u>	<u>94,842</u>	<u>46,842</u>
<b>FUND BALANCE - BEGINNING</b>	<u>1,813,625</u>	<u>1,813,625</u>	<u>1,813,625</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,866,625</u>	<u>\$ 1,861,625</u>	<u>\$ 1,908,467</u>	<u>\$ 46,842</u>

**CITY OF GAINESVILLE, TEXAS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
COHEN SCHOLARSHIP PERMANENT FUND  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ 450	\$ 500	\$ 651	\$ 151
Total revenues	<u>450</u>	<u>500</u>	<u>651</u>	<u>151</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>450</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>450</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>500</u>	<u>651</u>	<u>151</u>
<b>FUND BALANCE - BEGINNING</b>	<u>11,926</u>	<u>11,926</u>	<u>11,926</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 11,926</u></u>	<u><u>\$ 12,426</u></u>	<u><u>\$ 12,577</u></u>	<u><u>\$ 151</u></u>

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## **STATISTICAL SECTION**

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**STATISTICAL SECTION  
(UNAUDITED)**

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.

	<b><u>Page Number</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	92
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources. Property taxes are the City's largest source of revenue whose trends are laid out in Tables 5 through 8. Other tax revenues are compared in Table 9 through Table 12. Another large revenue source derives from utility services, including water, sewer, and solid waste charges. Their underlying rates and operating trends are reported between Tables 13 through 16.	102
<b>Debt Capacity</b> 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.	118
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	126
<b>Operating Information</b> 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.	130

Sources – Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

**CITY OF GAINESVILLE, TEXAS**

NET POSITION BY COMPONENT  
FOR THE LAST TEN FISCAL YEARS  
(UNAUDITED)

<b>For the years ending September 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Governmental activities:				
Net investment in capital assets	\$ 7,022,501	\$ 4,216,159	\$ 8,390,227	\$ 9,603,733
Restricted	7,696,601	12,206,817	8,844,766	7,055,924
Assigned	-	-	-	-
Unrestricted	<u>9,587,756</u>	<u>9,612,542</u>	<u>11,266,409</u>	<u>13,784,265</u>
Total governmental activities net position	<u>\$ 24,306,858</u>	<u>\$ 26,035,518</u>	<u>\$ 28,501,402</u>	<u>\$ 30,443,922</u>
Business-type activities:				
Net investment in capital assets	\$ 17,184,026	\$ 18,033,774	\$ 19,595,322	\$ 23,219,516
Unrestricted	<u>4,695,184</u>	<u>5,687,456</u>	<u>6,155,259</u>	<u>5,224,201</u>
Total business-type activities net position	<u>\$ 21,879,210</u>	<u>\$ 23,721,230</u>	<u>\$ 25,750,581</u>	<u>\$ 28,443,717</u>
Primary government:				
Net investment in capital assets	\$ 24,206,527	\$ 22,249,933	\$ 27,985,549	\$ 32,823,249
Restricted	7,696,601	12,206,817	8,844,766	7,055,924
Assigned	-	-	-	-
Unrestricted	<u>14,282,940</u>	<u>15,299,998</u>	<u>17,421,668</u>	<u>19,008,466</u>
Total primary government net position	<u>\$ 46,186,068</u>	<u>\$ 49,756,748</u>	<u>\$ 54,251,983</u>	<u>\$ 58,887,639</u>

**TABLE 1**

2019	2020	2021	2022	2023	2024
\$ 19,333,132	\$ 20,790,472	\$ 21,542,140	\$ 21,516,926	\$ 32,222,234	\$ 34,745,979
6,433,394	7,638,788	7,256,380	12,717,546	5,475,012	5,108,036
-	-	-	-	-	-
<u>5,636,734</u>	<u>6,120,595</u>	<u>11,445,066</u>	<u>9,348,803</u>	<u>18,838,064</u>	<u>20,976,660</u>
<u>\$ 31,403,260</u>	<u>\$ 34,549,855</u>	<u>\$ 40,243,586</u>	<u>\$ 43,583,275</u>	<u>\$ 56,535,310</u>	<u>\$ 60,830,675</u>
\$ 25,343,688	\$ 26,970,707	\$ 28,795,012	\$ 33,754,078	\$ 29,492,448	\$ 34,236,318
5,743,289	6,761,831	6,980,143	8,084,976	10,889,489	14,573,883
<u>\$ 31,086,977</u>	<u>\$ 33,732,538</u>	<u>\$ 35,775,155</u>	<u>\$ 41,839,054</u>	<u>\$ 40,381,937</u>	<u>\$ 48,810,201</u>
\$ 44,676,820	\$ 47,761,179	\$ 50,337,152	\$ 55,271,004	\$ 61,714,682	\$ 68,982,297
6,433,394	7,638,788	7,256,380	12,717,546	5,475,012	5,108,036
-	-	-	-	-	-
<u>11,380,023</u>	<u>12,882,426</u>	<u>18,425,209</u>	<u>17,433,779</u>	<u>29,727,553</u>	<u>35,550,543</u>
<u>\$ 62,490,237</u>	<u>\$ 68,282,393</u>	<u>\$ 76,018,741</u>	<u>\$ 85,422,329</u>	<u>\$ 96,917,247</u>	<u>\$ 109,640,876</u>

**CITY OF GAINESVILLE, TEXAS**

CHANGE IN NET POSITION  
FOR THE LAST TEN FISCAL YEARS  
(UNAUDITED)

<b>For the years ending September 30,</b>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 2,134,433	\$ 2,057,544	\$ 2,007,940	\$ 2,034,864
Community development	474,022	460,691	501,330	564,677
Finance	424,733	453,957	457,878	473,764
Public safety	8,469,599	9,014,024	9,075,713	9,333,202
General/public Services	3,790,990	4,216,838	4,256,146	4,286,595
Additional payments on pension liability	-	-	-	-
Bond issuance cost	-	-	-	60,538
Interest on long-term debt	609,610	672,462	564,734	537,896
Total governmental activities expenses	<u>15,903,387</u>	<u>16,875,516</u>	<u>16,863,741</u>	<u>17,291,536</u>
Business-type activities:				
Water and Sewer	6,084,430	5,928,017	5,940,976	6,072,866
Municipal airport	1,162,751	1,187,416	1,250,031	1,446,481
Golf course	380,340	351,975	298,029	320,271
Stormwater	397,236	401,177	595,174	547,183
Solid waste	2,454,876	2,684,735	2,773,845	2,814,258
Total business-type activities expenses	<u>10,479,633</u>	<u>10,553,320</u>	<u>10,858,055</u>	<u>11,201,059</u>
Total primary government expenses	<u>26,383,020</u>	<u>27,428,836</u>	<u>27,721,796</u>	<u>28,492,595</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	22,331	28,075	27,688	12,979
Community development	665,918	272,729	837,926	948,033
Public safety	375,469	578,735	514,831	649,699
General/public services	423,529	1,059,423	663,665	680,291
Operating grants and contributions	50,600	325,203	91,970	398,314
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>1,537,847</u>	<u>2,264,165</u>	<u>2,136,080</u>	<u>2,689,316</u>
Business-type activities:				
Charges for services:				
Water and sewer	7,541,024	8,111,187	7,803,109	8,527,147
Municipal airport	989,594	1,007,774	995,814	1,206,758
Golf course	141,525	140,044	176,643	211,126
Stormwater	1,003,379	990,405	936,628	922,233
Solid waste	3,812,793	4,069,815	4,093,404	4,616,172
Operating grants and contributions	86,996	117,941	34,722	21,448
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>13,575,311</u>	<u>14,437,166</u>	<u>14,040,320</u>	<u>15,504,884</u>
Total primary government program revenues	<u>15,113,158</u>	<u>16,701,331</u>	<u>16,176,400</u>	<u>18,194,200</u>
Net (expense) revenue:				
Governmental activities	(14,365,540)	(14,611,351)	(14,727,661)	(14,602,220)
Business-type activities	3,095,678	3,883,846	3,182,265	4,303,825
Total primary government net expenses	<u>(11,269,862)</u>	<u>(10,727,505)</u>	<u>(11,545,396)</u>	<u>(10,298,395)</u>

**TABLE 2**

	2019	2020	2021	2022	2023	2024
\$	3,550,161	\$ 2,191,967	\$ 2,673,307	\$ 2,646,847	\$ 2,676,396	\$ 3,107,576
	606,461	518,099	482,703	451,724	532,066	1,182,840
	570,144	537,711	573,688	542,531	684,628	753,606
	10,855,628	10,475,290	10,248,969	10,501,942	10,928,475	15,135,143
	4,604,822	4,323,539	4,565,049	4,561,107	4,933,701	5,498,314
	-	-	-	500,000	850,000	250,000
	-	-	-	122,002	-	-
	560,955	408,132	331,511	325,791	531,333	416,323
	<u>20,748,171</u>	<u>18,454,738</u>	<u>18,875,227</u>	<u>19,651,944</u>	<u>21,136,599</u>	<u>26,343,802</u>
	6,302,691	6,271,635	6,388,540	6,096,339	6,608,529	6,973,184
	1,454,466	1,318,696	1,566,473	1,773,743	1,646,827	1,943,174
	389,876	340,433	351,561	363,866	426,282	471,526
	695,052	782,941	725,619	748,161	696,763	681,682
	<u>3,150,716</u>	<u>3,187,700</u>	<u>3,242,207</u>	<u>3,561,529</u>	<u>4,340,289</u>	<u>5,138,986</u>
	<u>11,992,801</u>	<u>11,901,405</u>	<u>12,274,400</u>	<u>12,543,638</u>	<u>13,718,690</u>	<u>15,208,552</u>
	<u>32,740,972</u>	<u>30,356,143</u>	<u>31,149,627</u>	<u>32,195,582</u>	<u>34,855,289</u>	<u>41,552,354</u>
	25,719	23,534	21,472	14,318	12,559	14,782
	837,068	752,412	677,009	519,193	532,375	597,120
	682,857	400,149	333,185	430,403	621,850	636,405
	636,234	542,778	1,121,765	1,168,066	1,256,491	1,315,587
	79,290	951,549	2,144,255	2,129,568	868,803	2,127,979
	-	-	-	-	-	1,769,682
	<u>2,261,168</u>	<u>2,670,422</u>	<u>4,297,686</u>	<u>4,261,548</u>	<u>3,292,078</u>	<u>6,461,555</u>
	8,227,772	8,286,736	8,642,191	9,141,988	9,562,464	10,530,738
	1,233,917	1,163,360	1,280,300	1,719,344	1,590,029	1,720,604
	159,047	186,486	195,734	275,014	363,492	400,356
	917,858	959,519	964,600	965,199	957,875	1,019,678
	4,620,566	4,579,108	4,900,934	5,230,254	5,643,195	6,548,866
	28,941	127,726	100,663	54,452	119,393	2,588
	-	-	-	-	2,924,059	2,409,541
	<u>15,188,101</u>	<u>15,302,935</u>	<u>16,084,422</u>	<u>17,386,251</u>	<u>21,160,507</u>	<u>22,632,371</u>
	<u>17,449,269</u>	<u>17,973,357</u>	<u>20,382,108</u>	<u>21,647,799</u>	<u>24,452,585</u>	<u>29,093,926</u>
	(18,487,003)	(15,784,316)	(14,577,541)	(15,390,396)	(17,844,521)	(19,882,247)
	<u>3,195,300</u>	<u>3,401,530</u>	<u>3,810,022</u>	<u>4,842,613</u>	<u>7,441,817</u>	<u>7,423,819</u>
	<u>(15,291,703)</u>	<u>(12,382,786)</u>	<u>(10,767,519)</u>	<u>(10,547,783)</u>	<u>(10,402,704)</u>	<u>(12,458,428)</u>

**CITY OF GAINESVILLE, TEXAS**

CHANGE IN NET POSITION  
FOR THE LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>For the years ending September 30,</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Ad valorem	\$ 6,400,677	\$ 6,742,089	\$ 7,003,766	\$ 7,436,261
Sales	6,167,640	5,404,024	5,403,311	4,958,203
Other	2,040,775	1,940,453	1,896,032	1,992,681
Investment earnings	18,749	79,942	179,997	409,811
Miscellaneous	359,767	966,743	387,875	61,116
Transfers in (out)	<u>1,865,324</u>	<u>2,511,059</u>	<u>2,322,564</u>	<u>2,141,203</u>
Total governmental activities	<u>16,852,932</u>	<u>17,644,310</u>	<u>17,193,545</u>	<u>16,999,275</u>
Business-type activities:				
Investment earnings	11,927	52,415	92,919	165,413
Miscellaneous	-	50,217	1,076,731	470,115
Transfers in (out)	<u>(1,865,324)</u>	<u>(2,511,059)</u>	<u>(2,322,564)</u>	<u>(2,141,203)</u>
Total business-type activities	<u>(1,853,397)</u>	<u>(2,408,427)</u>	<u>(1,152,914)</u>	<u>(1,505,675)</u>
Total primary government	<u>14,999,535</u>	<u>15,235,883</u>	<u>16,040,631</u>	<u>15,493,600</u>
<b>Change in Net Position</b>				
Governmental activities	2,487,392	3,032,959	2,465,884	2,397,055
Business-type activities	<u>1,242,281</u>	<u>1,475,419</u>	<u>2,029,351</u>	<u>2,798,150</u>
Total primary government	<u>\$ 3,729,673</u>	<u>\$ 4,508,378</u>	<u>\$ 4,495,235</u>	<u>\$ 5,195,205</u>

**TABLE 2**

2019	2020	2021	2022	2023	2024
\$ 8,163,897	\$ 8,414,308	\$ 8,707,453	\$ 9,041,592	\$ 9,602,325	\$ 9,963,691
7,176,658	6,437,327	6,037,291	6,680,051	8,542,948	8,002,467
2,030,139	1,908,432	2,175,344	2,378,300	2,534,953	2,630,729
607,236	208,834	14,452	229,576	1,899,212	1,968,444
486,194	323,442	1,349,799	1,283,623	1,706,963	1,420,543
<u>982,217</u>	<u>1,635,101</u>	<u>1,986,932</u>	<u>(883,057)</u>	<u>10,519,844</u>	<u>467,588</u>
<u>19,446,341</u>	<u>18,927,444</u>	<u>20,271,271</u>	<u>18,730,085</u>	<u>34,806,245</u>	<u>24,453,462</u>
252,792	100,582	8,872	87,174	524,249	673,954
177,385	778,550	210,655	251,055	1,096,661	798,079
<u>(982,217)</u>	<u>(1,635,101)</u>	<u>(1,986,932)</u>	<u>883,057</u>	<u>(10,519,844)</u>	<u>(467,588)</u>
<u>(552,040)</u>	<u>(755,969)</u>	<u>(1,767,405)</u>	<u>1,221,286</u>	<u>(8,898,934)</u>	<u>1,004,445</u>
<u>18,894,301</u>	<u>18,171,475</u>	<u>18,503,866</u>	<u>19,951,371</u>	<u>25,907,311</u>	<u>25,457,907</u>
959,338	3,143,128	5,693,730	3,339,689	16,961,724	4,571,215
<u>2,643,260</u>	<u>2,645,561</u>	<u>2,042,617</u>	<u>6,063,899</u>	<u>(1,457,117)</u>	<u>8,428,264</u>
<u>\$ 3,602,598</u>	<u>\$ 5,788,689</u>	<u>\$ 7,736,347</u>	<u>\$ 9,403,588</u>	<u>\$ 15,504,607</u>	<u>\$ 12,999,479</u>

**CITY OF GAINESVILLE, TEXAS**

FUND BALANCES OF GOVERNMENTAL FUNDS  
FOR THE LAST TEN FISCAL YEARS  
(UNAUDITED)

<b><u>For the years ending September 30,</u></b>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>General Fund</b>				
Nondisposable	\$ 547	\$ 6,597	\$ 7,944	\$ 8,532
Unassigned	<u>7,583,096</u>	<u>7,397,240</u>	<u>8,892,045</u>	<u>8,916,457</u>
Total General Fund	<u>\$ 7,583,643</u>	<u>\$ 7,403,837</u>	<u>\$ 8,899,989</u>	<u>\$ 8,924,989</u>
<b>All Other Governmental Funds</b>				
Nondisposable	\$ 1,427,979	\$ 1,467,761	\$ 1,511,950	\$ 1,566,844
Restricted	6,033,203	10,739,056	7,332,816	5,489,080
Assigned	6,012,458	6,787,488	6,793,616	9,929,496
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 13,473,640</u>	<u>\$ 18,994,305</u>	<u>\$ 15,638,382</u>	<u>\$ 16,985,420</u>

Source: Balance Sheets - Governmental Funds in City's ACFRs.

**TABLE 3**

2019	2020	2021	2022	2023	2024
\$ 12,702	\$ 5,245	\$ 6,718	\$ 254	\$ 297	\$ 2,806
<u>9,000,705</u>	<u>9,047,756</u>	<u>9,180,278</u>	<u>9,291,672</u>	<u>8,961,794</u>	<u>10,823,830</u>
<u>\$ 9,013,407</u>	<u>\$ 9,053,001</u>	<u>\$ 9,186,996</u>	<u>\$ 9,291,926</u>	<u>\$ 8,962,091</u>	<u>\$ 10,826,636</u>
\$ 1,630,284	\$ 1,645,150	\$ 1,685,620	\$ 1,685,620	\$ 1,813,625	\$ 1,908,467
2,788,917	5,993,638	5,570,760	11,001,498	19,141,889	14,333,165
9,040,941	7,688,026	11,089,745	12,662,344	12,723,016	17,581,781
<u>22,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>793,324</u>	<u>(107,985)</u>
<u>\$ 13,482,988</u>	<u>\$ 15,326,814</u>	<u>\$ 18,346,125</u>	<u>\$ 25,349,462</u>	<u>\$ 34,471,854</u>	<u>\$ 33,715,428</u>

**CITY OF GAINESVILLE, TEXAS**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

<b>For the years ending September 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Revenues</b>				
Ad valorem taxes	\$ 6,417,559	\$ 6,694,561	\$ 7,017,525	\$ 7,420,034
Sales taxes	6,167,640	5,404,024	5,403,311	4,958,203
Other local taxes/fees	2,040,775	1,940,453	1,896,032	1,992,681
Charges for services	846,746	1,059,423	1,077,957	1,096,726
License & Permits	265,032	300,804	451,322	544,577
Fines and forfeitures	382,478	530,929	411,158	517,495
Investment income	18,753	65,078	179,997	409,808
Intergovernmental revenues	50,600	325,203	91,970	398,314
Other income	389,004	981,607	462,327	434,285
<b>Total Revenues</b>	<b><u>16,578,587</u></b>	<b><u>17,302,082</u></b>	<b><u>16,991,599</u></b>	<b><u>17,772,123</u></b>
<b>Expenditures</b>				
General government	1,807,994	1,838,049	1,818,903	1,816,368
Community development	417,969	442,832	492,433	559,483
Finance	428,260	443,431	455,004	479,609
Public safety	8,089,744	8,305,934	8,428,432	8,541,870
Public works	3,133,526	3,440,987	3,407,905	3,418,158
Non-departmental	-	-	-	-
Additional payments on pension liability	-	-	-	-
Capital outlay	3,996,564	2,914,482	4,467,059	5,930,485
Debt service:				
Principal	1,429,204	1,355,894	1,379,709	1,523,891
Interest and fiscal charges	603,212	531,118	724,489	518,138
Bond issue costs and fees	-	-	-	43,791
<b>Total Expenditures</b>	<b><u>19,906,473</u></b>	<b><u>19,272,727</u></b>	<b><u>21,173,934</u></b>	<b><u>22,831,793</u></b>
Excess of revenues over (under) expenditures	(3,327,886)	(1,970,645)	(4,182,335)	(5,059,670)
<b>Other Financing Sources (Uses)</b>				
Proceeds on sale of fixed assets	-	-	-	-
Issuance of bonds	-	7,715,806	-	6,068,745
Payment to refunding escrow agent	-	(3,210,454)	-	(1,778,240)
Premium (discount) on bonds	-	519,819	-	-
Transfers in	5,105,940	8,959,511	3,611,435	8,375,453
Transfers out	(3,240,616)	(6,448,452)	(1,288,871)	(6,234,250)
<b>Net other financing sources (uses)</b>	<b><u>1,865,324</u></b>	<b><u>7,536,230</u></b>	<b><u>2,322,564</u></b>	<b><u>6,431,708</u></b>
<b>Net change in fund balances</b>	<b><u>\$ (1,462,562)</u></b>	<b><u>\$ 5,565,585</u></b>	<b><u>\$ (1,859,771)</u></b>	<b><u>\$ 1,372,038</u></b>
Debt service as a percentage of noncapital expenditures	<u>12.77%</u>	<u>11.54%</u>	<u>12.59%</u>	<u>12.08%</u>

Source: Statement of Revenues, Expenditures, and Changes in Fund Balance for Governmental Funds.

TABLE 4

	2019	2020	2021	2022	2023	2024
\$	8,163,897	8,423,937	8,706,485	9,042,167	9,549,141	9,945,442
	7,176,658	6,437,327	6,037,291	6,680,051	8,542,948	8,002,467
	2,030,139	1,908,432	2,175,344	2,378,300	2,534,953	2,630,729
	1,050,566	815,073	1,232,603	1,214,497	1,256,491	1,315,587
	448,455	503,651	587,642	487,081	544,934	611,902
	589,622	348,094	357,047	430,528	490,232	417,685
	607,236	208,834	14,452	229,576	1,899,212	2,586,604
	79,290	951,549	2,144,255	2,129,568	868,803	2,127,979
	486,194	326,908	1,342,341	1,439,700	1,706,963	1,375,515
	<u>20,632,057</u>	<u>19,923,805</u>	<u>22,597,460</u>	<u>24,031,468</u>	<u>27,393,677</u>	<u>29,013,910</u>
	1,946,717	1,966,248	2,818,493	2,240,105	2,729,039	2,670,397
	571,592	501,866	489,006	472,629	557,351	1,085,457
	534,994	521,355	586,365	584,037	729,005	667,793
	9,594,939	9,537,007	9,902,138	10,581,597	11,028,823	12,290,702
	3,561,007	3,307,585	3,572,857	4,075,854	3,988,721	4,211,149
	808	-	1,002	-	-	-
	-	-	-	1,537,000	850,000	250,000
	8,070,672	1,967,291	2,338,967	2,429,256	3,458,890	8,532,360
	1,341,853	1,452,313	1,374,711	1,406,461	1,185,078	1,201,510
	606,292	399,324	347,547	307,777	614,352	464,020
	-	24,954	-	122,002	444	90,347
	<u>26,228,874</u>	<u>19,677,943</u>	<u>21,431,086</u>	<u>23,756,718</u>	<u>25,141,703</u>	<u>31,463,735</u>
	(5,596,817)	245,862	1,166,374	274,750	2,251,974	(2,449,825)
	-	-	-	-	-	45,028
	634,383	1,338,750	-	7,180,000	-	3,057,867
	-	(1,336,293)	-	-	-	-
	-	-	-	567,002	-	263,311
	6,749,013	8,127,624	5,971,341	7,537,551	21,240,012	11,517,421
	<u>(5,187,714)</u>	<u>(6,492,523)</u>	<u>(3,984,409)</u>	<u>(8,420,608)</u>	<u>(10,720,168)</u>	<u>(11,049,833)</u>
	<u>2,195,682</u>	<u>1,637,558</u>	<u>1,986,932</u>	<u>6,863,945</u>	<u>10,519,844</u>	<u>3,833,794</u>
\$	<u>(3,401,135)</u>	<u>1,883,420</u>	<u>3,153,306</u>	<u>7,138,695</u>	<u>12,771,818</u>	<u>1,383,969</u>
	<u>10.73%</u>	<u>10.45%</u>	<u>9.02%</u>	<u>8.04%</u>	<u>8.29%</u>	<u>7.96%</u>

**CITY OF GAINESVILLE, TEXAS**

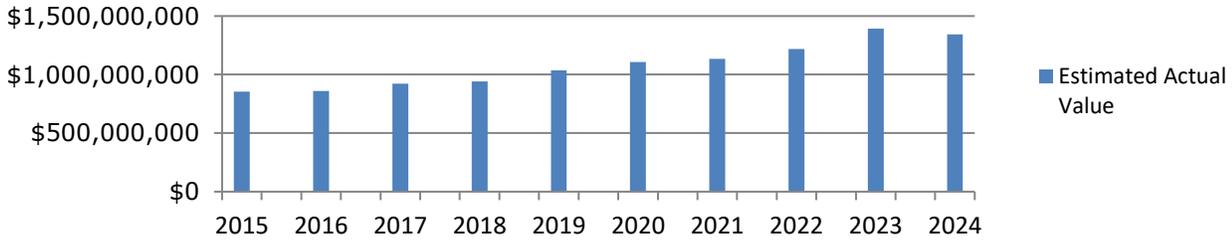
Assessed and Estimated Actual Value of Property (1)  
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Exemptions (2)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2015	\$806,604,990	\$806,604,990	\$485,569,221	\$485,569,221	\$437,096,239
2016	805,382,183	805,382,183	451,099,647	451,099,647	396,045,788
2017	837,693,898	805,382,183	543,466,902	451,099,647	458,456,234
2018	853,116,994	853,116,994	510,737,407	510,737,407	423,081,080
2019	939,547,849	939,547,849	575,320,726	575,320,726	479,512,895
2020	1,080,438,626	1,080,438,626	446,336,220	446,336,220	418,621,033
2021	1,184,242,814	1,184,242,814	403,662,015	403,662,015	452,926,761
2022	1,290,821,574	1,290,821,574	403,099,575	403,099,575	476,116,144
2023	1,671,138,205	1,671,138,205	388,925,105	388,925,105	667,056,305
2024	1,595,482,583	1,595,482,583	464,580,727	464,580,727	715,176,434

(1) Source - Cooke County Appraisal District and Tax Assessor/Collector.

(2) Productivity loss, Homestead Cap., Exemptions, Frozen Values, and Transfer Adjustment.

**Property Tax Assessed Value  
Ten Year History**



**TABLE 5**

Total		Total Direct Tax Rate	Ratio of Total Assessed Value To Total Estimated Actual Value	
Assessed Value	Estimated Actual Value			
\$855,077,972	\$855,077,972	0.687822	100.0%	Certification at 8/7/2014
860,436,042	860,436,042	0.697822	100.0%	Certification at 7/21/2015
922,704,566	922,704,566	0.705030	100.0%	Certification at 7/18/2016
940,773,321	940,773,321	0.722540	100.0%	Certification at 7/18/2017
1,035,355,680	1,035,355,680	0.722540	100.0%	Certification at 7/19/2018
1,108,153,813	1,108,153,813	0.696290	100.0%	Certification at 7/18/2019
1,134,978,068	1,134,978,068	0.687500	100.0%	Certification at 7/20/2020
1,217,805,005	1,217,805,005	0.672100	100.0%	Certification at 7/19/2021
1,393,007,005	1,393,007,005	0.623900	100.0%	Certification at 7/20/2022
1,344,886,876	1,344,886,876	0.623900	100.0%	Certification at 7/25/2023

**CITY OF GAINESVILLE, TEXAS**

Property Tax Rates (1)  
Direct and Overlapping Governments  
Last Ten Fiscal Years

Fiscal Year	City of Gainesville			Cooke County		
	Operating Rate	Debt Service Rate	Total City Rate	Operating Rate	Debt Service Rate	Total County Rate
2015	0.44560	0.25223	0.69782	0.34120	0.02740	0.36860
2016	0.43290	0.27213	0.70503	0.36520	0.01950	0.38470
2017	0.43290	0.27213	0.70503	0.36580	0.01890	0.38470
2018	0.46770	0.25480	0.72250	0.47520	0.01860	0.49380
2019	0.47930	0.21700	0.69630	0.41600	0.01800	0.43400
2020	0.47930	0.21700	0.69630	0.40530	0.01720	0.42250
2021	0.49740	0.17470	0.67210	0.28790	0.12500	0.41290
2022	0.49740	0.17470	0.67210	0.39620	0.01680	0.41300
2023	0.42970	0.14630	0.57600	0.19540	0.00380	0.19920
2024	0.42970	0.14630	0.57600	0.32050	0.00380	0.32430

(1) Rates expressed in amounts per \$100. Source Cooke County Appraisal District

(2) Includes North Central Texas College, Gainesville Hospital District, and Lindsay School District.

**TABLE 6**

Gainesville School District			Other (2)			Total
Operating Rate	Debt Service Rate	Total School Rate	Operating Rate	Debt Service Rate	Total Other Rate	
1.04000	0.24000	1.28000	1.15270	0.13820	1.29090	3.63732
1.04000	0.24000	1.28000	1.16660	0.14330	0.00000	2.36973
1.17000	0.11000	1.28000	1.09270	0.12175	0.00000	2.36973
1.17000	0.11000	1.28000	1.17390	0.12610	0.00000	2.49630
1.06800	0.08000	1.14800	1.08600	0.13600	0.00000	2.27830
1.02160	0.08000	1.10160	1.03920	0.02500	1.06420	3.28460
1.02100	0.04100	1.06200	1.00470	0.12730	1.13200	3.27900
0.98200	0.08000	1.06200	1.04820	0.11550	1.16370	3.31080
0.75960	0.11400	0.87360	0.82380	0.36220	1.18600	2.83480
0.75960	0.11400	0.87360	0.82380	0.36220	1.18600	2.95990

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**CITY OF GAINESVILLE, TEXAS**

**TABLE 7**

Principal Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Donlen Trust	\$ 78,973,242	1	5.03%			
PPG Industries Inc	19,745,192	2	1.26%	\$ 8,981,770	6	1.08%
Building Materials Corp of America (BMCA)	19,271,079	3	1.23%	19,909,441	3	2.40%
Safran Seats USA LLC (Zodiac)	18,597,133	4	1.19%			
Wal-Mart #185	17,421,073	5	1.11%	17,839,575	4	2.15%
Dura-Line LLC	17,303,789	6	1.10%	13,078,768	5	1.58%
Atmos Energy	13,653,940	7	0.87%			
Oncor Electric	13,531,840	8	0.86%	8,276,220	8	1.00%
SI Gainesville QOZB #2 LLC	13,200,010	9	0.84%			
Weber Aircraft	11,642,887	10	0.74%	35,181,927	2	4.24%
Well Service Division				51,512,280	1	6.21%
Enterprise FM Trust				8,574,840	7	1.03%
Karl Klement Properties				7,450,416	9	0.90%
Forum USA Allied				7,335,240	10	0.88%
Total Assessed Valuation	1,568,493,725		14.24%	829,721,807		21.47%

Source: Cooke County Appraisal District

**CITY OF GAINESVILLE, TEXAS**

Property Tax Levies and Collections (1)  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percent of Levy		Total Amount Collected	Percent of Levy
2015	\$ 6,472,700	\$ 6,354,971	98.2%	\$ 112,881	\$ 6,467,852	99.9%
2016	6,646,443	6,579,772	99.0%	61,163	6,640,935	99.9%
2017	7,115,523	7,002,592	98.4%	106,562	7,109,155	99.9%
2018	7,406,189	7,326,583	98.9%	71,257	7,397,840	99.9%
2019	8,162,217	6,380,040	78.2%	1,773,420	8,153,460	99.9%
2020	8,416,769	8,270,669	98.3%	132,985	8,403,654	99.8%
2021	8,561,520	8,534,116	99.7%	12,699	8,546,815	99.8%
2022	8,974,262	8,854,186	98.7%	100,324	8,954,510	99.8%
2023	9,525,975	9,348,967	98.1%	131,158	9,480,125	99.5%
2024	9,873,067	9,700,636	98.3%	-	9,700,636	98.3%

Source - Cooke County Appraisal District and Tax Assessor/Collector

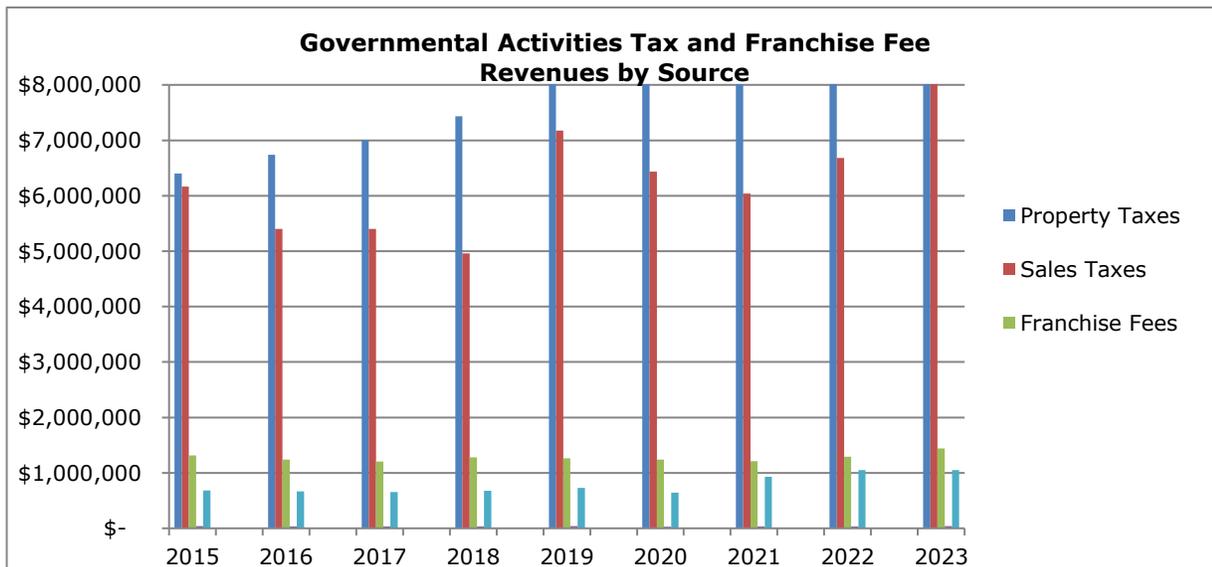
**TABLE 8**

<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u> (1)	<u>Delinquent Taxes to Total Tax Levy</u>
99.2%	\$ 51,834	0.8%
100.2%	(14,713)	-0.2%
99.5%	38,902	0.5%
100.0%	3,378	0.0%
99.2%	63,200	0.8%
99.2%	65,302	0.8%
100.5%	(41,451)	-0.5%
99.4%	56,750	0.6%
98.1%	177,008	1.9%
97.7%	231,538	2.3%

Governmental Activities Tax and Franchise Fee Revenues by Source  
Last Ten Fiscal Years

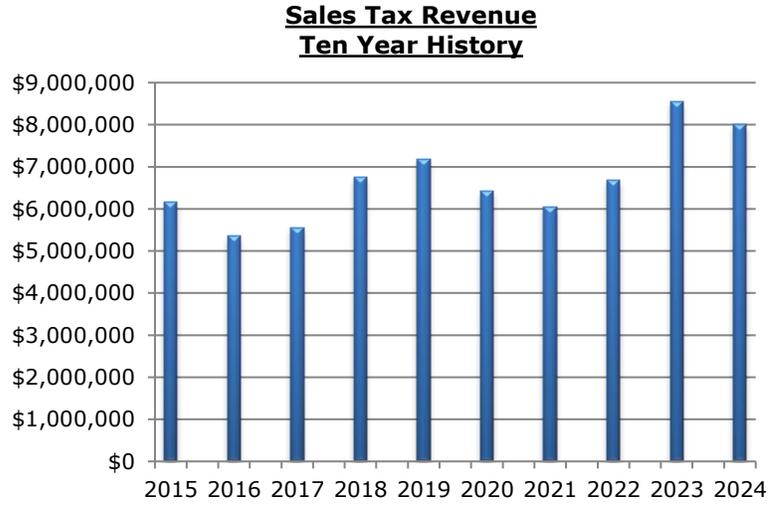
Fiscal Year	Property Taxes	Sales Taxes	Franchise Fees	Alcoholic Beverage Taxes	Occupancy Tax	Total
2015	\$ 6,400,677	\$ 6,167,640	\$ 1,315,960	\$ 42,079	\$ 682,736	\$ 14,609,092
2016	6,742,089	5,404,024	1,240,790	34,207	665,456	14,086,566
2017	7,003,766	5,403,311	1,206,315	34,565	655,152	14,303,109
2018	7,436,261	4,958,203	1,279,335	36,271	677,075	14,387,145
2019	8,163,897	7,176,658	1,261,622	38,675	729,842	17,370,694
2020	8,414,308	6,437,327	1,239,937	28,073	640,422	16,760,067
2021	8,707,453	6,037,291	1,209,805	36,267	929,272	16,920,088
2022	9,041,592	6,680,051	1,290,972	37,070	1,050,258	18,099,943
2023	9,602,325	8,542,948	1,443,328	41,846	1,049,779	20,680,226
2024	9,945,442	8,002,467	1,537,028	41,606	1,052,095	20,578,638

Statement of Rev and Exp and changes in Fund Balances



Sales Tax Revenue  
Last Ten Years

Fiscal Year	Sales Tax Revenue
2015	\$ 6,167,640
2016	5,370,418
2017	5,558,686
2018	6,762,505
2019	7,176,658
2020	6,437,327
2021	6,037,291
2022	6,680,051
2023	8,542,948
2024	8,002,467



**CITY OF GAINESVILLE, TEXAS**

**TABLE 11**

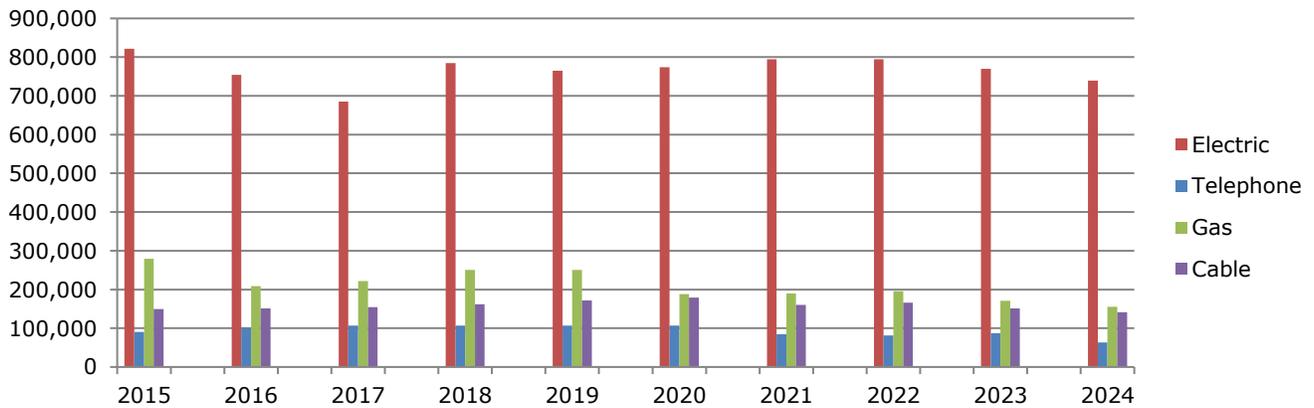
Direct and Overlapping Sales Tax Rates  
Last Ten Years

<u>Fiscal Year</u>	<u>State of Texas</u>	<u>Cooke County</u>	<u>City of Gainesville</u>	<u>Gainesville Economic Development</u>	<u>Totals</u>
2015	6.25%	0.50%	1.25%	0.25%	8.25%
2016	6.25%	0.50%	1.25%	0.25%	8.25%
2017	6.25%	0.50%	1.25%	0.25%	8.25%
2018	6.25%	0.50%	1.25%	0.25%	8.25%
2019	6.25%	0.50%	1.25%	0.25%	8.25%
2020	6.25%	0.50%	1.25%	0.25%	8.25%
2021	6.25%	0.50%	1.25%	0.25%	8.25%
2022	6.25%	0.50%	1.25%	0.25%	8.25%
2023	6.25%	0.50%	1.25%	0.25%	8.25%
2024	6.25%	0.50%	1.25%	0.25%	8.25%

Source: Texas State Comptroller's Office

Franchise Fees  
Last Ten Fiscal Years

Fiscal Year	Electric	Telephone	Gas	Cable
2015	\$ 794,908	\$ 81,660	\$ 195,235	\$ 166,340
2016	770,240	87,426	170,614	151,400
2017	739,346	63,435	155,188	141,053
2018	764,417	86,091	224,776	125,196
2019	787,653	51,826	191,209	140,613
2020	802,532	37,969	174,075	129,625
2021	694,306	71,048	254,444	189,647
2022	771,296	67,595	284,091	167,990
2023	820,154	33,237	385,045	204,892
2024	1,048,532	25,687	270,598	10,147

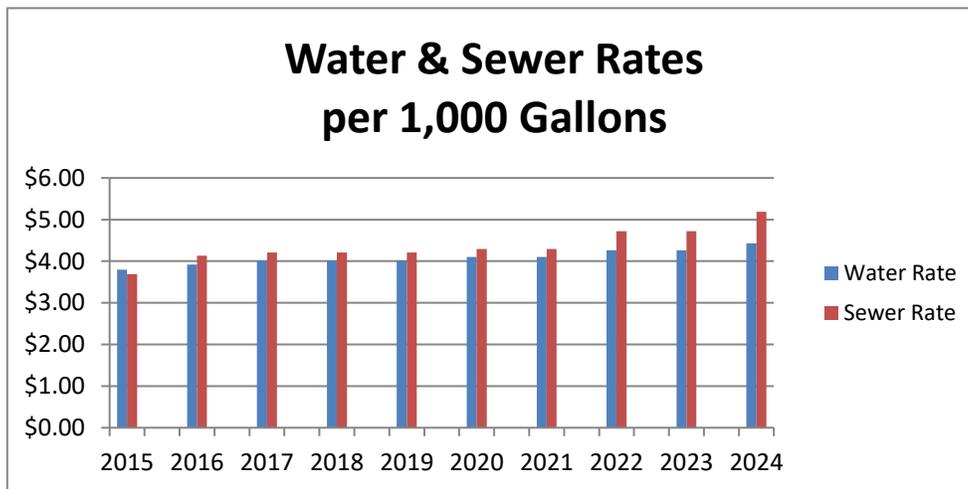
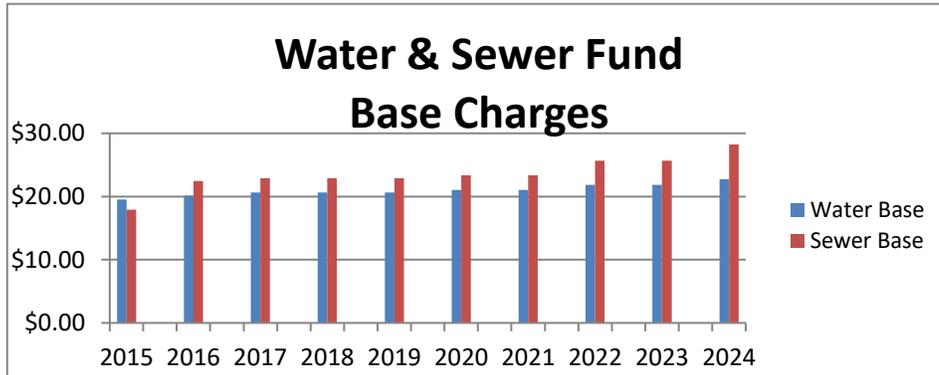


**CITY OF GAINESVILLE, TEXAS**

Water and Sewer Rates-Residential  
Last Ten Years

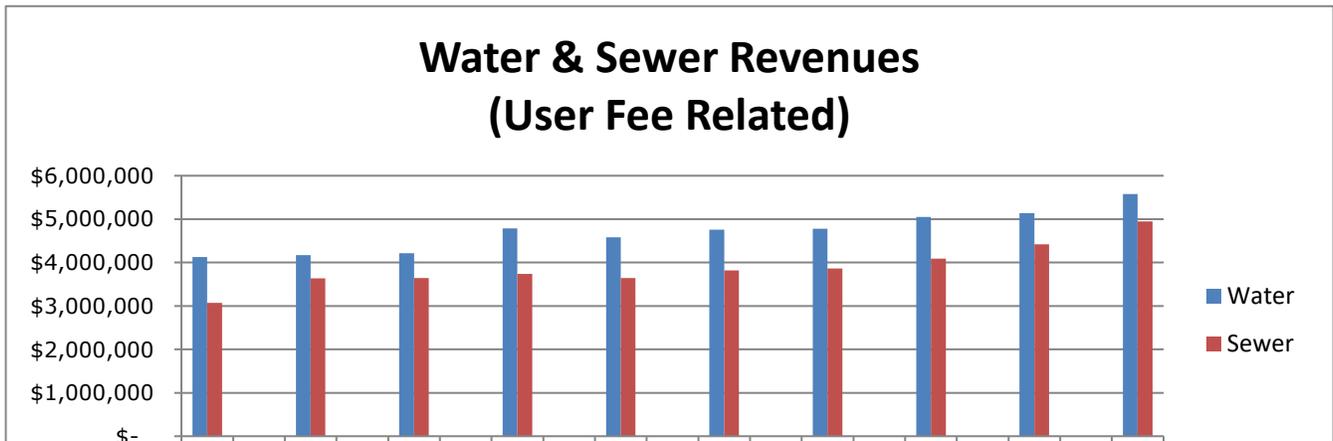
<u>Fiscal Year</u>	<u>Water Base (per month)</u>	<u>Water Rate (per 1000 gals)</u>	<u>Sewer Base (per month)</u>	<u>Sewer Rate (per 1000 gals)</u>
2015	\$19.53	\$3.80	\$17.94	\$3.69
2016	20.12	3.92	22.43	4.13
2017	20.62	4.02	22.88	4.21
2018	20.62	4.02	22.88	4.21
2019	20.62	4.02	22.88	4.21
2020	21.03	4.10	23.34	4.29
2021	21.03	4.10	23.34	4.29
2022	21.87	4.26	25.67	4.72
2023	21.87	4.26	25.67	4.72
2024	22.74	4.43	28.24	5.19

Source: City of Gainesville Customer Service



Water and Sewer Revenues  
Last Ten Fiscal Years

Fiscal Year	Water Related Revenues	Sewer Related Revenues	Total
2015	\$ 4,125,146	\$ 3,068,783	\$ 7,193,929
2016	4,171,501	3,633,470	7,804,971
2017	4,217,575	3,645,945	7,863,520
2018	4,789,781	3,737,366	8,527,147
2019	4,581,849	3,645,923	8,227,772
2020	4,757,523	3,818,149	8,575,672
2021	4,777,176	3,865,015	8,642,191
2022	5,050,290	4,091,698	9,141,988
2023	5,138,940	4,423,524	9,562,464
2024	5,581,583	4,949,155	10,530,738



**CITY OF GAINESVILLE, TEXAS**

**TABLE 15**

Ten Largest Consumers of Water  
Current Year and Nine Years Ago

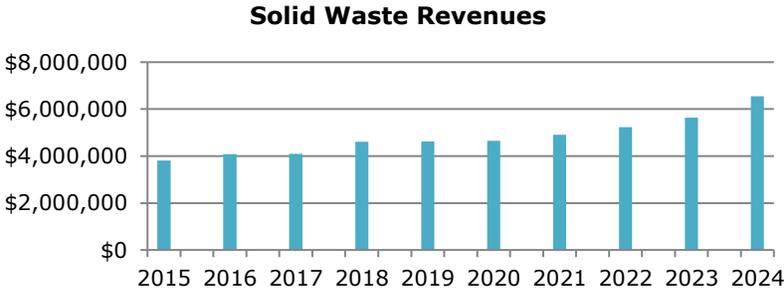
Customer	2024		2015	
	Total Consumption For Customer (in gallons)	Rank	Total Consumption For Customer (in gallons)	Rank
AUI Partners LLC	9,862,500	1		
Austin Zachry	8,992,700	2		
Gainesville State School	6,771,780	3	8,923,000	4
The Liberty	6,398,600	4		
City of Gainesville- Frank Buck Zoo	6,046,500	5	9,040,400	3
North Texas Medical Center	5,266,220	6		
Cooke County Justice Center	4,653,040	7		
Lexington Square Apartments	4,450,100	8		
Pecan Tree Rehab & Health Care	4,299,900	9	5,879,600	6
Safran Seats USA LLC	4,282,690	10		
Zodiac (formerly Weber Aircraft)			11,105,810	1
Duraline FKA Polypipe Inc.			9,426,200	2
North Central Texas College			5,892,800	5
Gainesville ISD			5,453,300	7
Renaissance Care Center			4,878,100	8
GAF Materials			4,422,330	9
Woodglen Apts			4,011,500	10
Total Water Consumption	61,024,030		69,033,040	

Source: City of Gainesville Customer Service

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Solid Waste Fund Revenues  
Last Ten Fiscal Years

Fiscal Year	Charges for Service Revenues
2015	\$3,812,793
2016	4,078,898
2017	4,093,404
2018	4,616,172
2019	4,620,566
2020	4,652,099
2021	4,900,934
2022	5,230,254
2023	5,643,195
2024	6,548,866



**CITY OF GAINESVILLE, TEXAS**

Ratios of Outstanding Debt by Type  
Last Ten Years

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Certificates of Obligation Bonds	Financing Arrangement	Premiums
2015	\$ 16,054,484	\$ 4,499,250	\$ -	\$ 342,757
2016	14,812,775	2,494,500	-	849,850
2017	13,523,263	2,356,500	-	801,446
2018	10,065,466	6,204,610	156,000	744,419
2019	7,769,856	5,990,873	634,317	771,015
2020	6,764,811	4,384,698	472,872	727,134
2021	6,764,811	4,180,728	307,176	684,971
2022	5,737,081	11,152,558	136,615	1,121,175
2023	5,048,686	10,792,490	-	1,044,756
2024	4,334,144	13,363,389	-	1,237,427

**TABLE 17**

General Obligation Bonds	Business-Type Activities		Contract Revenue Bonds	Total Primary Government	Percent of Personal Income	Official Per Capita
	Certificates of Obligation Bonds	Premiums				
\$ 7,189,508	\$ 16,815,750	\$ 1,076,394	\$ -	\$ 45,978,143	14.03%	2,873
6,030,519	18,130,500	121,516	-	42,439,660	12.95%	2,652
4,977,228	17,403,500	995,404	-	40,057,341	12.10%	2,459
3,881,737	20,050,390	930,528	-	42,033,150	12.70%	2,580
5,554,534	19,159,127	871,529	-	40,751,251	12.31%	2,469
8,870,143	16,570,301	970,833	-	38,760,792	11.71%	2,349
8,015,190	15,679,271	916,909	-	36,549,056	9.76%	2,175
7,142,916	14,752,441	846,176	-	40,888,962	10.22%	2,337
6,436,111	22,942,509	1,572,787	8,730,040	56,567,379	13.81%	3,158
5,705,651	22,986,609	1,560,959	7,955,560	57,143,739	11.25%	3,175

**CITY OF GAINESVILLE, TEXAS**

Ratio of Net General Bonded Debt Outstanding  
To Assessed Value and Net General Obligation Bonded Debt Per Capita  
Last Ten Fiscal Years

Fiscal Year	Official Population (1)	Total Assessed Value (2)	General Bonded Debt (3)	Less Debt Service Fund (4)
2015	16,002	\$ 1,263,468,443	\$ 18,406,942	\$ 948,521
2016	16,502	1,227,392,630	19,955,001	1,244,098
2017	16,502	1,353,019,721	42,710,003	1,371,883
2018	16,502	1,337,365,224	39,550,003	1,439,783
2019	16,502	1,486,631,887	43,660,000	1,531,813
2020	16,502	1,482,408,632	37,975,000	1,602,220
2021	17,394	1,536,129,525	36,549,056	1,197,509
2022	17,500	1,632,283,591	38,784,996	1,904,108
2023	17,912	1,884,025,460	45,219,796	1,868,649
2024	18,000	2,108,018,346	46,389,793	2,004,883

- (1) From US Bureau of Census 2010 Census, updated 2022
- (2) From Cooke County Appraisal District
- (3) The City has no revenue bonds
- (4) Amount available for repayment of general obligation bonds.

**TABLE 18**

	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
\$	17,458,421	2.04%	1,091.01
	18,710,903	2.03%	1,133.86
	41,338,120	4.39%	2,505.04
	38,110,220	3.68%	2,309.43
	42,128,187	2.84%	2,552.91
	36,372,780	2.44%	2,204.14
	35,351,547	2.17%	2,032.40
	36,880,888	2.26%	2,107.48
	43,351,147	2.30%	2,420.23
	44,384,910	2.11%	2,465.83

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Direct and Overlapping Governmental Activities Debt  
September 30, 2024

Jurisdiction	Total Debt Outstanding	Estimated Percent Applicable	Direct and Overlapping Funded Debt As of 9/30/24
<b>Direct Debt:</b>			
City of Gainesville	\$ 18,934,960	100%	\$ 18,934,960
Subtotal Direct Debt	18,934,960		18,934,960
<b>Overlapping Debt:</b>			
Cooke County	-	28%	-
Gainesville ISD	19,197,979	81%	15,573,401
Lindsey ISD	16,166,000	44%	7,108,190
Gainesville Hospital District	32,515,000	33%	10,850,256
North Central Texas Community College	1,509,000	22%	327,000
Subtotal Overlapping Debt	69,387,979		33,858,847
<b>Total Direct and Overlapping Debt</b>	<b>88,322,939</b>		<b>52,793,807</b>

Ratio of direct and overlapping bonded debt to taxable assessed valuation 2.90%

Per capita direct and overlapping bonded debt 2,933

General obligation debt in the amounts shown for which repayment is provided from other revenue sources. The amount of self-supporting debt is based on the percentages of revenue support. It is the City's current policy to provide these payments from these revenues; this policy is subject to change in the future. In the event the City changes its policy, or such revenues are not sufficient to pay debt service on such obligations, the City will be required to levy an ad valorem tax to pay such debt service. This information is provided in our bond covenants.

Source: Hilltop Securities

**CITY OF GAINESVILLE, TEXAS**

Legal Debt Margin Information  
Last Ten Years  
(amounts expressed in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 12,429	\$ 12,975	\$ 14,910	\$ 13,703	\$ 12,339
Total Net Debt Applicable to Limit	1,933	2,032	1,887	2,104	2,042
Legal Debt Margin	(3,271)	(3,272)	(124)	(1,983)	(6,117)
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.55%	15.66%	12.66%	15.35%	16.55%

Note: As a home rule city governed by State law and the city charter, the City is authorized to levy an ad valorem tax up to \$2.50 per \$100 of taxable assessed value. However, Gainesville uses the administrative "test" as a limit set by the Attorney General's public finance division in order to be conservative, and not the legal limit.

Source: Hilltop Securities

**TABLE 20**

2020	2021	2022	2023	2024
\$ 11,126	\$ 10,340	\$ 9,001	\$ 5,759	\$ 5,065
1,948	1,851	1,723	1,714	-
(80)	3,070	7,543	8,467	10,796
17.51%	17.90%	19.14%	29.76%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2023**

Assessed value	\$ 2,108,018,346
Add back: exempt real property	331,081,783
Total assessed value	1,776,936,563
Debt limit (\$1.50 to total assessed value)	26,654,048
Debt applicable to limit:	
General Obligation bonds	5,065,489
Less: Amount set aside for repayment of GO debt	-
Tax Certificates of Obligations w/Revenue Pledge	10,792,491
Total net debt applicable to limit	<u>15,857,980</u>
Legal Debt Margin	<u>\$ 10,796,068</u>

**CITY OF GAINESVILLE, TEXAS**

**TABLE 21**

Revenue Bond Coverage  
Water and Sewer Fund  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Principal and Interest Payments (3)</u>	<u>Coverage</u>
2015	\$ 7,966,390	\$ 6,174,754	\$ 1,791,636	\$ 1,240,965	1.44
2016	7,541,024	5,565,217	1,975,807	1,715,148	1.15
2017	8,111,187	5,928,017	2,183,170	1,737,851	1.26
2018	7,863,520	5,389,711	2,473,809	1,701,289	1.45
2019	8,614,646	5,565,108	3,049,538	1,608,745	1.90
2020	8,227,772	4,805,130	3,422,642	1,630,669	2.10
2021	8,286,736	4,697,223	3,589,513	1,438,469	2.50
2022	9,229,306	4,798,453	4,430,853	1,439,239	3.08
2023	10,422,542	4,117,872	6,304,670	1,423,227	4.43
2024	12,834,546	4,644,299	8,190,247	-	N/A

(1) Total revenues, excluding grants and interest.

(2) Total operating expenses excluding depreciation and transfers

(3) Includes principal and interest of revenue bonds only. General obligation bonds reported in the Water and Sewer Fund are not included.

**CITY OF GAINESVILLE, TEXAS**

**TABLE 22**

Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year	Official Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (3)	Education Percent High School & Up (1)	Unemployment Rate (2)
2015	16,002	\$ 330,009,246	20,623	33	2,825	81.90%	3.90%
2016	16,002	330,969,366	20,683	33	2,862	79.50%	3.60%
2017	16,502	351,377,086	21,293	32	2,945	79.50%	3.30%
2018	16,502	358,687,472	21,736	35	3,169	77.50%	2.70%
2019	16,502	358,687,472	21,736	35	3,074	77.80%	2.60%
2020	16,804	345,725,496	20,574	38	3,080	77.80%	3.00%
2021	17,394	357,864,156	20,574	33	3,061	78.50%	6.70%
2022	17,576	401,945,544	22,869	33	3,090	79.90%	3.20%
2023	17,912	409,629,528	22,869	34	3,114	79.90%	3.50%
2024	18,000	507,834,000	28,213	35	2,798	79.90%	3.70%

(1) US Census Bureau 2010 Census

(2) GEDC

(3) Gainesville Independent School District

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**CITY OF GAINESVILLE, TEXAS**

**TABLE 23**

Ten Largest Employers  
Fiscal Year 2024 and 2015

Employer	2024			2015		
	Number of Employees FTE	Rank	Percent of Total County Employment	Number of Employees FTE	Rank	Percent of Total County Employment
WinStar Casino	2,020	1	11.22%	4,000	1	17.59%
Safran (formerly Zodiac/Weber)	1,100	2	6.11%	1,800	2	7.92%
Gainesville ISD	430	3	2.39%	380	4	1.67%
North Central Texas College	390	4	2.17%			0.00%
Wal-Mart	359	5	1.99%	427	3	1.88%
North Texas Medical Center (NTMC)	355	6	1.97%	372	5	1.64%
Cooke County	320	7	1.78%			
Gainesville State School	251	8	1.39%	372	5	1.64%
City of Gainesville	225	9	1.25%			
IFS Coatings	<u>213</u>	10	<u>1.18%</u>			
Select Energy Services				150	10	0.66%
Duraline FKA Polypipe Inc.				195	9	0.86%
Cooke County				265	7	1.17%
Complete Energy Services				<u>257</u>	8	<u>1.13%</u>
Totals	<u>5,663</u>		<u>31.46%</u>	<u>8,218</u>		<u>36.15%</u>
Total in Gainesville	<u>18,000</u>			<u>22,735</u>		

**CITY OF GAINESVILLE, TEXAS**

Full-time Equivalent Employees by Function  
Last Ten Years

<u>Function</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Administration	5	3	3	3	3	3
Information Technology	0	1	1	1	1	1
Human Resources	2	2	2	2	2	2
Communications and Outreach	-	-	-	-	-	-
Municipal Court	4	4	4	4	4	4
Civic Center	2	2	2	2	2	2
Community Development	5	5	6	6	6	6
Finance	4	4	4	4	4	4
Economic Development	5	5	5	5	5	5
Police	56	56	56	56	56	59
Fire	42	42	42	42	42	42
Streets	7	7	7	7	7	7
Garage	4	4	4	4	4	4
Parks	16	17	17	17	18	18
Frank Buck Zoo	17	17	17	17	17	17
Cemetery	5	5	5	5	5	5
Golf Course	7	6	6	6	6	6
Water	21	20	20	20	21	21
Wastewater	17	17	17	16	14	14
Airport	3	3	3	3	3	3
Stormwater Utility	2	2	2	2	2	2
Solid Waste - Collection	12	12	13	13	13	13
Solid Waste - Disposal	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>
<b>Total</b>	<b><u>238</u></b>	<b><u>236</u></b>	<b><u>238</u></b>	<b><u>237</u></b>	<b><u>238</u></b>	<b><u>241</u></b>

Source: City of Gainesville Human Resources department.

**TABLE 24**

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
3	3	3	3
1	1	1	1
2	2	2	2
-	-	-	1
4	4	4	4
2	2	2	2
6	6	6	6
4	4	4	4
5	5	5	5
59	59	59	59
42	42	42	42
7	7	7	7
4	4	4	4
18	18	19	19
17	17	17	17
5	4	4	4
6	6	6	6
20	20	20	20
14	14	14	14
3	3	3	3
2	2	2	2
13	13	13	13
<u>3</u>	<u>3</u>	<u>4</u>	<u>4</u>
<u>240</u>	<u>239</u>	<u>241</u>	<u>242</u>

**CITY OF GAINESVILLE, TEXAS**

Operating Indicators by Function  
Last Ten Years

Function	2015	2016	2017	2018	2019	2020
Police						
Calls for Service	31,673	34,558	32,026	32,260	28,382	27,129
Arrests	1,285	1,392	1,222	1,356	1,041	819
Municipal Court						
Cases Filed	5,000	6,612	5,447	6,293	6,522	3,941
Cases Disposed	5,000	2,442	5,648	5,493	6,399	3,354
Class C Warrants Filed	1,000	1,854	1,617	2,252	2,762	1,280
Juvenile Cases Filed	175	146	117	217	134	164
Fire						
Number of calls	954	2,461	2,670	3,111	3,124	3,302
Number of fires	240	143	169	286	145	170
Rescue/EMS incidents	210	1,544	1,829	1,825	1,908	2,050
Streets						
Potholes Patched	7,529	4,608	2,701	3,374	4,461	4,491
Storm drains cleaned	137	126	93	122	446	604
Miles of streets swept	864	690	1,595	868	900	703
Golf Course						
Rounds of golf	9,100	7,435	9,216	10,331	8,565	9,142
Community Development						
Building Permits	1,069	1,258	1,168	1,022	1,200	1,476
Value of Building Projects (in thousands) *	21,289	15,919	28,960	34,752	17,224	15,493
Number of Inspections	866	878	982	1,153	1,268	1,308
Finance						
Number of invoices paid	6,985	7,372	6,700	7,528	6,700	5,736
Received CAFR award	Yes	Yes	Yes	Yes	Yes	Yes
Received Budget Presentation award	Yes	Yes	Yes	Yes	Yes	Yes
Number of Payroll checks prepared	6,063	6,062	6,176	5,936	6,175	6,213
Water System						
Number of water customers	6,200	6,074	6,109	6,116	7,363	7,475
New Connects	1,525	1,344	1,313	1,281	1,431	1,236
Daily average water consumption (mil gls)	2.10	2.10	2.10	2.10	2.10	2.30
Maximum daily pumping capacity (mil gls)	6.80	6.80	6.80	6.70	6.80	6.80
Maximum storage capacity (mil gls)	3.80	3.80	3.80	4.03	4.00	4.00
Wastewater System						
Number of wastewater customers	5,964	5,775	5,805	5,816	7,151	7,157
Daily average treatment(mil gls)	2.27	2.20	1.60	1.80	2.49	2.61
Maximum daily treatment capacity(mil gls)	4.14	10.00	4.14	4.14	4.14	4.14
Airport						
Gallons of aviation fuel pumped	265,306	311,236	323,952	334,975	334,670	359,090

Source: Various City departments.

Note: Some historical statistics were not available and are indicated with "---".  
FY data

\*2020 and 2021 only report commercial values due to Texas House Bill 852, signed 5/21/2019 prohibits disclosure of dollar valuation of residential construction projects.

**TABLE 25**

2021	2022	2023	2024
26,237	29,362	28,009	27,652
757	824	861	733
3,828	5,312	5,530	5,034
4,673	4,471	5,065	4,282
2,365	1,990	1,903	2,188
129	189	113	91
3,615	3,621	3,832	3,594
135	178	135	96
2,242	2,388	2,600	2,411
3,903	2,366	3,847	7,043
465	164	156	851
737	587	452	569
9,793	10,480	17,934	18,124
1,389	1,135	1,002	1,087
33,688	13,759	24,515	17,655
1,389	1,784	3,092	3,483
7,259	6,801	7,087	7,265
Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes
6,009	5,877	5,984	6,163
7,516	6,377	6,307	6,553
1,265	1,167	1,037	1,151
2.55	2.15	2.10	2.22
7.53	7.84	7.53	7.53
4.00	4.00	4.00	4.00
7,176	7,114	6,161	6,076
1.85	1.34	1.43	1.65
4.14	4.14	4.14	4.14
397,701	348,326	348,326	369,625

**CITY OF GAINESVILLE, TEXAS**

Capital Asset Statistics by Function  
Last Ten Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Police</b>						
Stations	1	1	1	1	1	1
Patrol Units	12	12	12	12	12	12
<b>Fire</b>						
Stations	3	3	3	3	3	3
Fire Hydrants	825	825	825	825	881	913
Fire Vehicles	13	12	12	12	14	13
<b>Streets</b>						
Miles of streets	129.71	129.71	129.71	129.71	129.71	129.71
Miles of streets maintained by City	96	96	96	96	96	96
Street Lights	1581	1581	1581	1581	1572	1573
<b>Parks &amp; Recreation</b>						
Number of Community/Civic Centers	2	2	2	2	2	2
Number of park areas	24	24	24	24	24	24
Park acreage	212	212	212	226	266	266
Number of golf courses	1	1	1	1	1	1
Number of swimming pools	1	1	1	1	1	1
Number of splash pads						
Number of zoos	1	1	1	1	1	1
Miles of water mains	137.5	137.5	137.5	151	151	151
Number of Water Treatment Plants	1	1	2	1	1	1
<b>Wastewater System</b>						
Miles of wastewater mains	134	134	134	132	132	132
Miles of storm drainage mains	10	10	10	14	14	14
Number of Wastewater Treatment Plants	1	1	1	1	1	1
<b>Sanitation</b>						
Collection Trucks	12	13	5	5	9	10
Long Haul Trucks	4	4	4	4	3	3
Heavy Equipment Units	-	-	-	-	3	7
Vehicles	5	5	6	6	7	6
Carts	5857	5563	5353	5364	6736	6773
<b>Airport</b>						
Airport acreage	1317	1297	1277	1277	1277	1277
Number of runways	2	2	2	2	2	2
Number of hangars	6	6	6	6	6	6

Source: Various City Departments

**TABLE 26**

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
1	1	1	1
12	11	11	11
3	3	3	3
913	903	909	916
13	13	13	16
129.71	129.71	202	129.71
96	102	108	102
1573	1588	1573	1588
2	2	1	1
24	24	23	24
266	266	266	266
1	1	1	1
1	1	1	1
		1	1
1	1	1	1
151	153	153	153
1	1	1	1
132	129	125	132
14	14	15	10
1	1	1	1
10	10	11	9
3	6	8	4
7	7	7	7
6	6	8	7
6889	6495	6582	6582
1277	1277	1200	1232
2	2	2	2
6	6	21	21



# Gainesville

**Totally Texas. All American.**