

CITY OF GAINESVILLE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

	1% Decrease in Discount Rate 1.75%	Current Discount Rate 2.75%	1% Increase in Discount Rate 6.75%
City's net OPEB liability	\$ 1,091,401	\$ 902,701	\$ 755,453
	1% Decrease in Discount Rate 2.31%	Current Discount Rate 3.31%	1% Increase in Discount Rate 4.31%
Component unit's net OPEB	\$ 21,801	\$ 18,032	\$ 15,091

J. Tax Abatements

The City has entered into property tax abatement agreements with local businesses under the Property Redevelopment and Tax Abatement Act, Chapter 312, V.T.C.A, Tax Code. Localities may grant property tax abatements of up to 50% of a business' property tax bill for attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the service area of the City. For the fiscal year ended September 30, 2021, the City abated property taxes totaling \$100,515 under this program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- A 70% property tax abatement to a building materials manufacturer company to stimulate investment and economic development. The tax abatement amounted to \$24,439.
- A 90% property tax abatement for real property improvement to stimulate economic development. The tax abatement amounted to \$179,295.

K. Subsequent Events

The City's management has evaluated subsequent events through February 22, 2023, the date which the financial statements were available for issue.