

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ending
September 30, 2023



*ANNUAL
COMPREHENSIVE
FINANCIAL REPORT*

of the

**CITY OF
BEEVILLE, TEXAS**

**For the Fiscal Year Ended
September 30, 2023**

Prepared by:

**Kristine Horton, CGFO
Finance Director**

&

The City's Finance Department

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CITY OF BEEVILLE, TEXAS

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INTRODUCTORY SECTION

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CITY OF BEEVILLE – Finance Department

400 N. Washington St. | Beeville, TX 78102 | Tel: (361) 358-4641 | www.beevilletx.org

April 18, 2024

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

The Annual Comprehensive Financial Report for the City of Beeville, Texas (“City”) for the fiscal year ended September 30, 2023 is hereby submitted. This report was prepared through the cooperative efforts of the Finance Department and the City’s independent auditors. The purpose of the report is to provide the City Council, management, staff, the public, and other interested parties with detailed information reflecting the City’s financial condition.

This report consists of management’s representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework that is designed both to protect the City’s assets from loss, theft, or misuse; and to compile sufficient, reliable information for the preparation of the City’s financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City’s framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed financial statements and schedules are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds, departments, and component unit of the City of Beeville.

The City Charter requires an independent auditing firm to annually complete an audit of the books and accounts of every City department/fund. The City’s financial statements have been audited by Belt Harris Pechacek, LLLP, a firm of licensed certified public accountants. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). The basic financial statements, including the accompanying notes, represent the core of the financial section. These financial statements present the City’s financial condition as a single entity, as well as the individual funds that account for the City’s various governmental and business-type activities. 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 auditors’ report.

PROFILE OF THE CITY

The City became a home-rule city in 1951 as a Council-Manager form of government. The City is about 1 hour from Corpus Christi and 1 ½ hours from San Antonio. The City has a land area of approximately 6.38 square miles and an estimated population of 13,200. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

As a Council-Manager form of government, policy-making and legislative authority are vested in a governing Council that is comprised of a Mayor, Mayor Pro-Tem, and three Council Members. The Council Members are all elected at large for two-year terms. Future Council member elections will be for four-year terms as the Charter was amended in May 2023. Elections are staggered with two Council Members elected together and three Council Members the next election. The Mayor and Mayor Pro-Tem moving forward will be reappointed every year. The City Manager is appointed by the Council and is responsible for implementing Council policy and day-to-day operations of the City.

The City provides a full range of municipal services including public safety, water and wastewater services, public improvements, repair and maintenance of infrastructure, and general administrative services. The City provides water service to residents within the City limits and within the City's extra-territorial jurisdiction (ETJ).

Budgeting is an essential element of the financial planning, control, and evaluating process of municipal governments. The "operating budget" is the City's annual financial operating plan. The annual budget includes all the operating departments of the general fund, utility fund, special revenue funds, capital equipment/project funds, and debt services fund. During the months of July through September, the Council will go over the submitted proposed budget during weekly workshops. During that time, the Council will adjust the proposed budget and hold budget/tax rate public hearings. During the month of September (usually the 1st Council meeting of the month), the Council will approve the property tax rate and budget by ordinance in accordance with State statutes and the City charter.

Usually, an amendment to the budget happens when expenditures are expected to exceed revenues, an emergency arises, and/or a new project comes to light mid-year. Amendments to the adopted budget require City Council approval if the amendments are between funds. If a budget adjustment is required within the same fund, then the City manager or finance director will make that decision/change if needed. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

The Beeville Economic Improvement Corporation (BEIC) meets the criteria of a blended component unit; therefore, it has been included in the report as a blended component unit.

The BEIC is governed by a seven-member board, consisting of members appointed by the City Council. The BEIC is funded by 0.375% of Section 4B sales tax. The City is financially accountable for the BEIC because the purpose of the BEIC is to issue revenue bonds to finance major capital improvements on behalf of the City.

LOCAL ECONOMY

The City of Beeville experienced a slight increase in property values in 2022, resulting in a slight tax increase for the fiscal year 2022-2023 budget in the I&S portion of our tax rate. Sales tax revenue has steadily increased since the end of the fiscal year 2021. The local economy experienced slight growth, with most industries remaining in local government and retail. Notable new developments include Starbucks and NAFFCO (Triga Fire Solutions. L.L.C), a Dubai-based fire safety diversified equipment manufacturer, which entered into a 50-year lease agreement with the Beeville Development Authority (BDA) to locate its first North American manufacturing and distribution facility out at Chase Field Industrial and Airport Complex. With NAFFCO, it is estimated that they will generate 400 new jobs.

Funds from the American Rescue Plan Act and from the CARES Act have helped the City substantially in reducing the economic effect of COVID-19, recovering from the impact of COVID-19, and financing necessary maintenance and improvements to utilities and other services in the City. Such expenditures include safety solutions for City employees at work, public safety equipment, additional pay for employees, and several future planned expenditures to improve the City's water/wastewater infrastructure.

LONG-TERM STRATEGIC PLANNING

The current strategic plan was adopted by City Council on June 28, 2023. This document is used as a planning tool and provides priorities based on City Council's focused areas.

During the last few years with a more stable management team, the City has begun the process of developing a priority-based improvement schedule for projects, maintenance, and equipment. These schedules will be used in the future budget planning process to provide the total amounts needed to maintain City assets and infrastructure so that this can be included in the annual comprehensive financial report.

The City management and Council are looking for ways to improve the priority-based schedules, as well as vehicle replacement schedules, in the coming fiscal years.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the proficient and dedicated work of the entire finance department. We wish to thank all City departments for their assistance in providing the data necessary to prepare this report. We also wish to express our appreciation to the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully Submitted,

John Benson

John Benson
City Manager

Kristine Horton

Kristine Horton, CGFO
Finance Director

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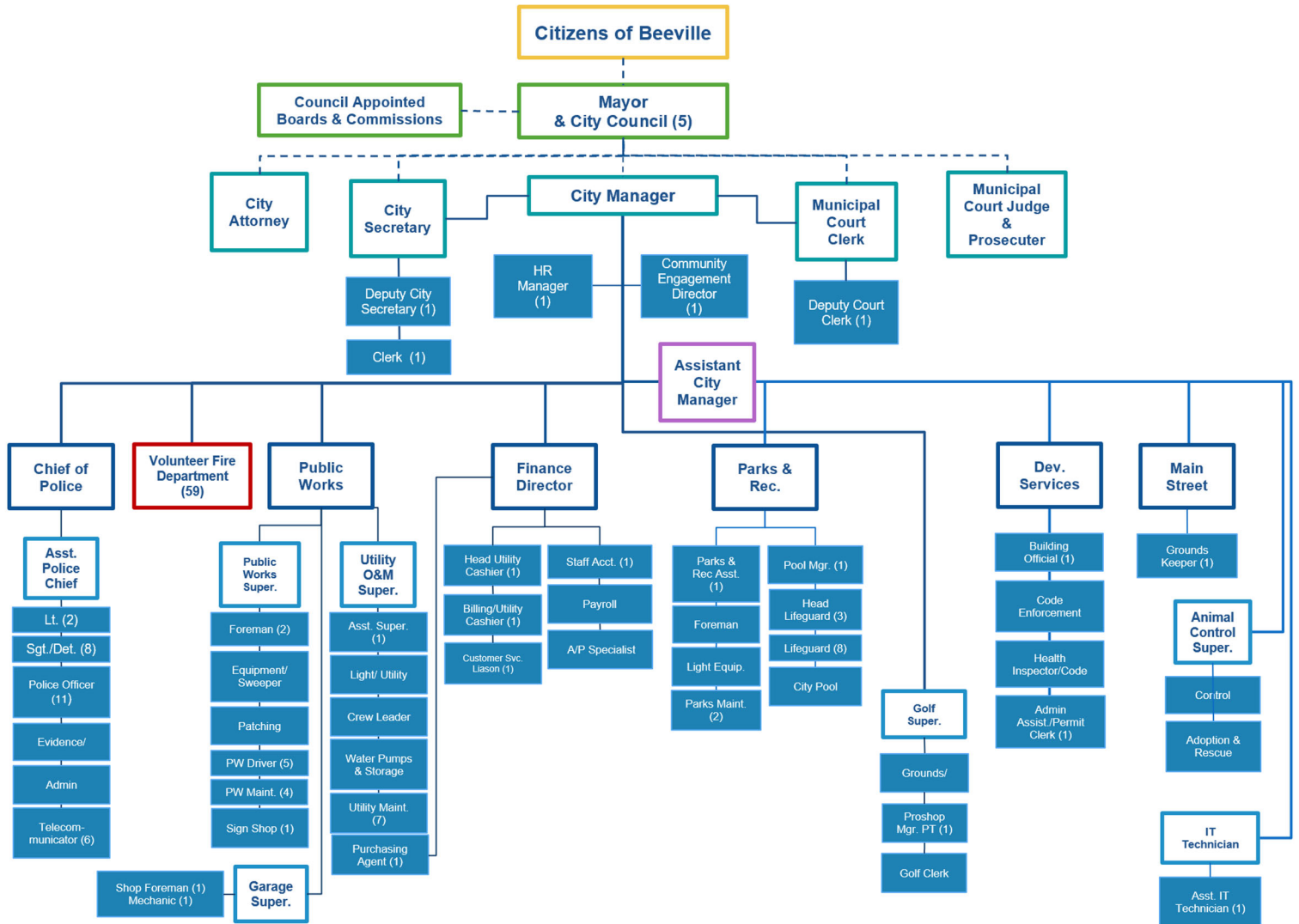
CITY OF BEEVILLE, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
September 30, 2023

| Elected Officials | Position |
|----------------------------|------------------|
| Brian Watson | Mayor |
| Michael Willow II | Mayor Pro-Tem |
| Benny Puente, Jr. | Council Member |
| Alexis Bledsoe | Council Member |
| Daryl Martin | Council Member |
| Appointed Officials | Position |
| John Benson | City Manager |
| Kristine Horton | Finance Director |
| Frank Warner | City Attorney |

CITY OF BEEVILLE, TEXAS

ORGANIZATIONAL CHART

September 30, 2023



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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beeville, Texas (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, 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 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, 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.

Change in Accounting Principle

As described in Note I.F.9. to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023. Our opinion is not modified with respect to this matter.

Responsibility of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on 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's basic financial statements. The accompanying combining statements and schedules are presented for purposes of additional analysis and are not required parts 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 statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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 April 18, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas
April 18, 2024

***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

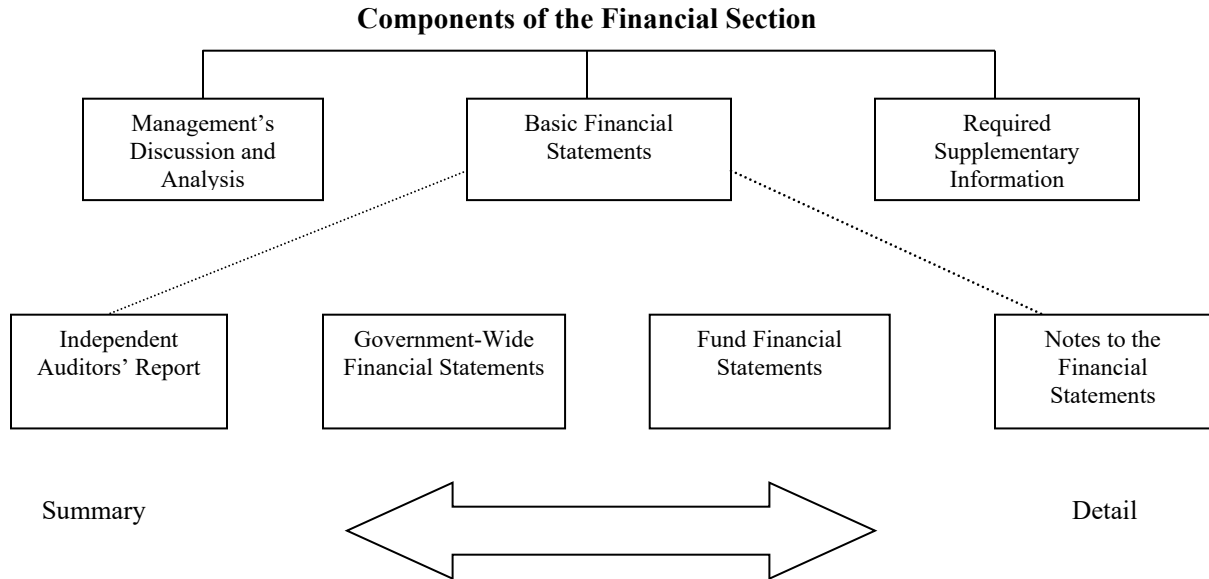
CITY OF BEEVILLE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2023

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Beeville, Texas (the "City") for the year ended September 30, 2023. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, even if cash has not yet changed hands.

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

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

CITY OF BEEVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here, including general government, public safety, public works, and culture and recreation. Interest payments on the City's debt are also reported here. Sales taxes, property taxes, franchise fees, charges for services, and other revenue finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water and wastewater operations.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

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

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 City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 27 governmental funds. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, COVID grant fund, and the 2023 Certificate of Obligation (CO) capital projects fund, which are considered to be major funds for reporting purposes.

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

CITY OF BEEVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

Proprietary Funds

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

Notes to Financial Statements

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

Other Information

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund and the schedule of changes in net pension liability and related ratios and schedule of contributions for the Texas Municipal Retirement System. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$37,794,473 as of year end.

A portion of the City's net position, 70%, reflects its investment in capital assets (e.g., land, facilities, infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities. The City's net investments in capital assets was \$26,443,572 at the end of the fiscal year, which was an increase of \$3,009,119 from the prior year. This increase in net investment in capital assets is primarily due to an increase in governmental activities capital additions and current year principal payments of debt.

CITY OF BEEVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

| | 2023 | | | 2022 | | |
|--|----------------------------|-----------------------------|----------------------|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total | Governmental Activities | Business-Type Activities | Total |
| <u>Assets</u> | | | | | | |
| Current and other assets | \$ 25,589,669 | \$ 3,832,080 | \$ 29,421,749 | \$ 12,548,243 | \$ 3,496,175 | \$ 16,044,418 |
| Noncurrent assets | 13,372,860 | 39,391,502 | 52,764,362 | 10,238,393 | 39,222,765 | 49,461,158 |
| Total Assets | 38,962,529 | 43,223,582 | 82,186,111 | 22,786,636 | 42,718,940 | 65,505,576 |
| <u>Deferred Outflows of Resources</u> | | | | | | |
| Deferred charge on refunding | - | 23,917 | 23,917 | - | 28,700 | 28,700 |
| Deferred outflows - pensions | 822,633 | 221,264 | 1,043,897 | 229,826 | 92,269 | 322,095 |
| Total Deferred Outflows of Resources | 822,633 | 245,181 | 1,067,814 | 229,826 | 120,969 | 350,795 |
| <u>Liabilities</u> | | | | | | |
| Long-term liabilities | 23,093,581 | 18,534,591 | 41,628,172 | 5,183,618 | 18,615,793 | 23,799,411 |
| Other liabilities | 3,031,903 | 591,939 | 3,623,842 | 3,645,876 | 1,588,122 | 5,233,998 |
| Total Liabilities | 26,125,484 | 19,126,530 | 45,252,014 | 8,829,494 | 20,203,915 | 29,033,409 |
| <u>Deferred Inflows of Resources</u> | | | | | | |
| Deferred inflows - pensions | 37,343 | 104,913 | 142,256 | 526,374 | 211,326 | 737,700 |
| Deferred inflows - lease | 65,182 | - | 65,182 | 81,145 | - | 81,145 |
| Total Deferred Inflows of Resources | 102,525 | 104,913 | 207,438 | 607,519 | 211,326 | 818,845 |
| <u>Net Position</u> | | | | | | |
| Net investment in capital assets | 6,100,070 | 20,343,502 | 26,443,572 | 4,852,994 | 18,581,459 | 23,434,453 |
| Restricted | 4,748,677 | 1,067,244 | 5,815,921 | 6,689,507 | 2,148,583 | 8,838,090 |
| Unrestricted | 2,708,406 | 2,826,574 | 5,534,980 | 2,036,948 | 1,694,626 | 3,731,574 |
| Total Net Position | \$ 13,557,153 | \$ 24,237,320 | \$ 37,794,473 | \$ 13,579,449 | \$ 22,424,668 | \$ 36,004,117 |

A portion of the City's net position, \$5,815,921, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net position, \$5,534,980, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$1,790,356 or 5% during the current fiscal year. Total assets increased by \$16,680,535. Current and other assets increased due to proceeds from a new bond issuance. Noncurrent assets increased due to capital asset additions. Total deferred outflows of resources increased while total deferred inflows of resources decreased due to the net difference between projected and actual investment earnings on pension plan assets. Total liabilities increased by \$16,218,605 due to a new bond issuance and lease liabilities during the fiscal year. Other liabilities were larger in the prior year due to on-going capital projects.

CITY OF BEEVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

Statement of Activities

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

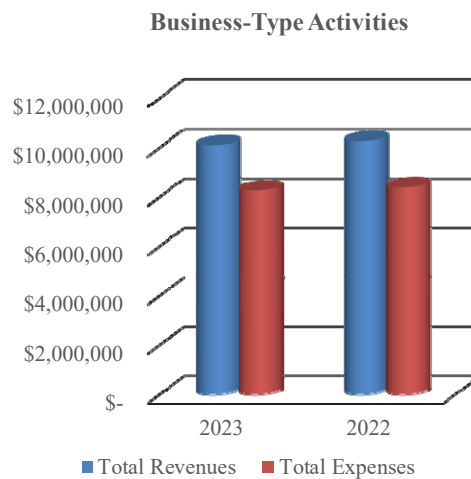
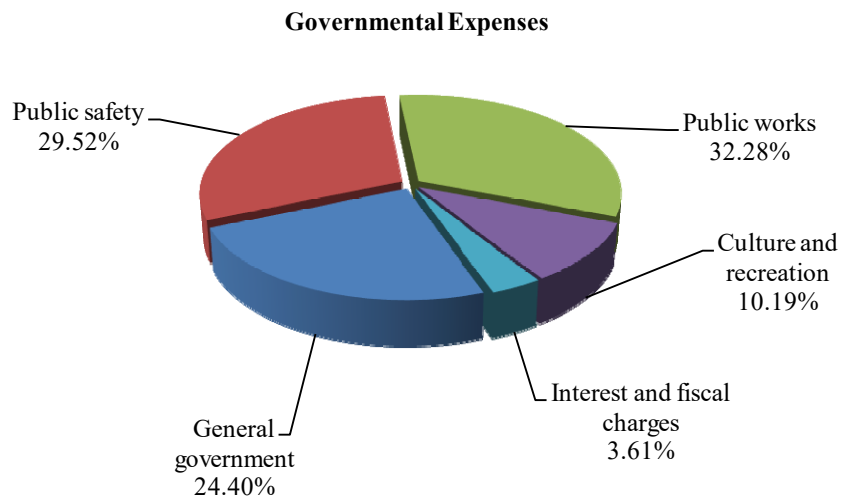
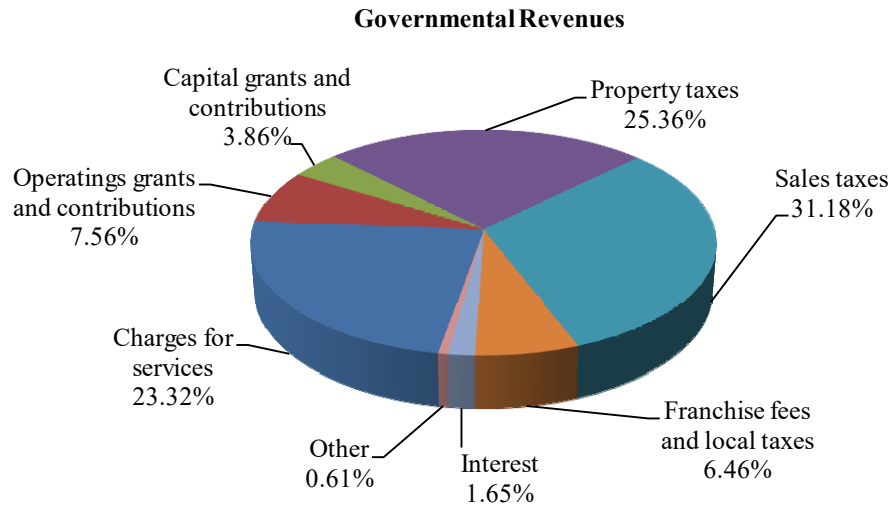
| | 2023 | | | 2022 | | |
|---|----------------------------|-----------------------------|--------------------------------|----------------------------|-----------------------------|--------------------------------|
| | Governmental Activities | Business-Type Activities | Total Primary Government | Governmental Activities | Business-Type Activities | Total Primary Government |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 3,247,492 | \$ 9,844,403 | \$ 13,091,895 | \$ 3,366,559 | \$ 9,985,562 | \$ 13,352,121 |
| Operating grants and contributions | 1,052,075 | - | 1,052,075 | 1,602,332 | - | 1,602,332 |
| Capital grants and contributions | 538,114 | - | 538,114 | - | - | - |
| General revenues: | | | | | | |
| Property taxes | 3,530,969 | - | 3,530,969 | 3,335,748 | - | 3,335,748 |
| Sales taxes | 4,342,391 | - | 4,342,391 | 4,169,552 | - | 4,169,552 |
| Franchise fees and local taxes | 900,122 | - | 900,122 | 954,804 | - | 954,804 |
| Interest | 229,243 | 62,316 | 291,559 | 119,310 | 70,862 | 190,172 |
| Other | 84,687 | 171,351 | 256,038 | 228,239 | 191,602 | 419,841 |
| Total Revenues | 13,925,093 | 10,078,070 | 24,003,163 | 13,776,544 | 10,248,026 | 24,024,570 |
| Expenses | | | | | | |
| General government | 3,407,198 | - | 3,407,198 | 3,401,434 | - | 3,401,434 |
| Public safety | 4,121,196 | - | 4,121,196 | 3,673,522 | - | 3,673,522 |
| Public works | 4,507,447 | - | 4,507,447 | 4,725,953 | - | 4,725,953 |
| Culture and recreation | 1,422,009 | - | 1,422,009 | 996,304 | - | 996,304 |
| Interest and fiscal charges | 503,822 | - | 503,822 | 145,373 | - | 145,373 |
| Utility | - | 8,251,135 | 8,251,135 | - | 8,379,656 | 8,379,656 |
| Total Expenses | 13,961,672 | 8,251,135 | 22,212,807 | 12,942,586 | 8,379,656 | 21,322,242 |
| Increase (Decrease) in Net Position before Transfers | (36,579) | 1,826,935 | 1,790,356 | 833,958 | 1,868,370 | 2,702,328 |
| Transfers | 14,283 | (14,283) | - | 441,440 | (441,440) | - |
| | 14,283 | (14,283) | - | 441,440 | (441,440) | - |
| Change in Net Position | (22,296) | 1,812,652 | 1,790,356 | 1,275,398 | 1,426,930 | 2,702,328 |
| Beginning net position | 13,579,449 | 22,424,668 | 36,004,117 | 12,304,051 | 20,997,738 | 33,301,789 |
| Ending Net Position | \$ 13,557,153 | \$ 24,237,320 | \$ 37,794,473 | \$ 13,579,449 | \$ 22,424,668 | \$ 36,004,117 |

CITY OF BEEVILLE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended September 30, 2023

Graphic presentation of the selected data from the summary tables follow to assist in the analysis of the City's activities.



CITY OF BEEVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

Current year net revenues for the governmental activities increased \$148,549, which was primarily due to an increase in property tax revenues from an increase in appraised property values and an increase in sales tax revenues from an increase in economic activity within the City. Governmental expenses increased by \$1,019,086 compared to the prior year due to increases in pension expenses, issuance costs on new debt, garbage collection costs, grants, and financial assistance provided to the Bee Development Authority related to an economic development performance agreement.

Revenues for business-type activities decreased by \$169,956 due to a decrease in customer consumption compared to the prior year. Expenses decreased \$128,521 primarily from a decrease in water purchased from the City of Corpus Christi and prior year inspection services and fines.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The City's governmental funds reflect a combined fund balance of \$21,822,462. Of this, \$18,841 is nonspendable for prepaids, \$19,813,562 is restricted for various purposes, and \$564,834 is committed for street maintenance. The City has unassigned fund balance of \$1,425,225. Overall, there was an increase in combined fund balance of \$15,684,080 in comparison to the prior year due to a new bond issuance.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$1,441,172, while total fund balance reached \$1,460,013. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12% of total expenditures, while total fund balance represents 12% of the same amount. The fund balance for the general fund demonstrated an overall increase of \$183,800. Revenues increased \$334,363 compared to the prior year due to increases in property tax revenues from an increase in the assessed values of properties within the City and an increase in sales tax collections from improved economic conditions within the City. Expenditures increased \$895,943 compared to the prior year due to an increase in capital outlay related to new lease agreements, building projects, and equipment.

The debt service fund had a net decrease in fund balance for the year of \$115,699. The decrease is primarily due to transfers to the utility fund for debt service payments of \$688,958.

The COVID grant fund recognized ARPA CSLFRF grant revenues and expenditures/transfers out of \$798,502 during the fiscal year. Fund balance increased by \$34,059, which is equal to interest earnings during the fiscal year, resulting in an ending fund balance of \$56,882.

The 2023 CO capital projects fund had an increase in fund balance of \$16,040,024 related to a new bond issuance during the current year.

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

CITY OF BEEVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned increase in final budgeted fund balance in the amount of \$117,182 in the general fund while realizing an actual net increase in general fund balance of \$183,800. The final budgeted revenues exceeded actual revenues by \$459,006 due to less intergovernmental revenues than anticipated, which was partially offset by more property tax and sales tax revenues than anticipated. Actual expenditures exceeded the final budgeted expenditures by \$326,233. The largest negative budget variances were recognized within sanitation, debt service, and capital outlay.

CAPITAL ASSETS

At the end of the year, the City's governmental and business-type activities had invested \$50,603,673 in a variety of capital assets and infrastructure (net of accumulated depreciation).

Major capital asset events during the year included the following:

- Purchased building - \$681,000
- Playground equipment - \$270,577
- Seal coating - \$239,981
- Pumper fire truck - \$364,600
- Additions to construction in progress that were not completed at year end for the following projects:
 - Downtown revitalization - \$361,022
 - New City Hall - \$344,562
 - Moore St. WWTP - \$1,465,796

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

LONG-TERM DEBT

At the end of the year, the City had total governmental and business-type activities long-term debt outstanding of \$39,570,594. Governmental activities long-term debt outstanding included certificates of obligation of \$18,480,000, sales tax revenue bonds of \$1,397,000, notes payable of \$1,005,711, lease liability of \$683,647, and subscription liability of \$116,842. Business-type activities long-term debt outstanding included general obligation of \$3,755,000, certificates of obligation of \$10,177,000, notes payable of \$3,841,976, and lease liability of \$113,418. During the year, the City had an overall increase in long-term debt of \$15,946,907 due to the issuance of Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2023.

More detailed information about the City's long-term liabilities is presented in note III.E. to the financial statements.

The current underlying Standards and Poor's ratings on both debt issues for general obligation bonds and certificates of obligation are 'A'.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The fiscal year 2024 adopted budget appropriations total \$41,803,577 for all operating funds. Of that amount, approximately \$11,585,946 is for general fund operations and maintenance, \$6,690,799 is for the utility fund, and \$6,537,698 is for special revenue funds. General debt service appropriation for the 2024 fiscal year is \$3,715,551.

Funding for the fiscal year 2024 adopted general fund budget is generated by means of utilizing fiscal year 2023 revenues and a customary transfer in from other operating funds for general and administrative functions. Revenues in the adopted budget have been projected using existing trends, with these notable changes. Overall, general fund

CITY OF BEEVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

revenues are estimated at \$12.1 million for the fiscal year 2024, which represents an approximate 6.4% increase from the fiscal year 2023 adopted budget. This is primarily due to growth in new and existing values in property tax and growth in sales and use taxes. Sales and use tax revenue is estimated to be \$2.8 million for the fiscal year 2024, or an increase of 1% from the fiscal year 2023 end-of-year estimated budget.

Funding for the fiscal year 2024 adopted utility fund budget is generated by means of utilizing fiscal year 2023 revenues and is estimated at \$10.8 million, which represents an approximate 4.3% increase from the fiscal year 2023 adopted budget. To keep up with rising material costs and water/wastewater infrastructure improvements, the Council updated the five-year utility service rate plan to increase the water and sewer rates by 13% for fiscal year 2024.

The adopted total property tax rate for the 2023 tax levy, which is for revenues in fiscal year 2024, is \$0.60925 per \$100 of taxable property values. This is an increase from the prior year tax rate of \$0.54329. The proposed budget will raise more revenue from property taxes than last year's budget by an amount of \$1,038,638, which is a 34.79% increase from last year's budget.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to finance department, City of Beeville, Texas, 400 N. Washington, Beeville, Texas, 78102 or send an email at finance.director@beevilletx.org.

BASIC FINANCIAL STATEMENTS

CITY OF BEEVILLE, TEXAS

STATEMENT OF NET POSITION

September 30, 2023

| | Primary Government | | |
|---|----------------------|----------------------|----------------------|
| | Governmental | Business-Type | Total |
| | Activities | Activities | |
| <u>Assets</u> | | | |
| Cash and cash equivalents | \$ 22,602,755 | \$ 1,525,153 | \$ 24,127,908 |
| Restricted cash and cash equivalents | - | 995,508 | 995,508 |
| Investments | 682,344 | - | 682,344 |
| Due from other governments | 140,814 | - | 140,814 |
| Receivables, net | 2,144,915 | 1,311,419 | 3,456,334 |
| Prepaid expenses | 18,841 | - | 18,841 |
| | <u>25,589,669</u> | <u>3,832,080</u> | <u>29,421,749</u> |
| Noncurrent assets: | | | |
| Net pension asset | 1,093,445 | 1,067,244 | 2,160,689 |
| Nondepreciable/nonamortizable capital assets | 1,685,665 | 17,144,830 | 18,830,495 |
| Net depreciable/amortizable capital assets | 10,593,750 | 21,179,428 | 31,773,178 |
| | <u>13,372,860</u> | <u>39,391,502</u> | <u>52,764,362</u> |
| Total Assets | <u>38,962,529</u> | <u>43,223,582</u> | <u>82,186,111</u> |
| <u>Deferred Outflows of Resources</u> | | | |
| Deferred charge on refunding | - | 23,917 | 23,917 |
| Deferred outflows - pensions | 822,633 | 221,264 | 1,043,897 |
| Total Deferred Outflows of Resources | <u>822,633</u> | <u>245,181</u> | <u>1,067,814</u> |
| <u>Liabilities</u> | | | |
| Accounts payable | | | |
| and other current liabilities | 1,352,840 | 115,296 | 1,468,136 |
| Accrued interest payable | 101,662 | 93,801 | 195,463 |
| Unearned revenue | 1,577,401 | - | 1,577,401 |
| Customer deposits | - | 382,842 | 382,842 |
| | <u>3,031,903</u> | <u>591,939</u> | <u>3,623,842</u> |
| Noncurrent liabilities: | | | |
| Long-term liabilities due within one year | 2,089,593 | 1,298,475 | 3,388,068 |
| Long-term liabilities due in more than one year | 21,003,988 | 17,236,116 | 38,240,104 |
| | <u>23,093,581</u> | <u>18,534,591</u> | <u>41,628,172</u> |
| Total Liabilities | <u>26,125,484</u> | <u>19,126,530</u> | <u>45,252,014</u> |
| <u>Deferred Inflows of Resources</u> | | | |
| Deferred inflows - pensions | 37,343 | 104,913 | 142,256 |
| Deferred inflows - lease | 65,182 | - | 65,182 |
| Total Deferred Inflows of Resources | <u>102,525</u> | <u>104,913</u> | <u>207,438</u> |
| <u>Net Position</u> | | | |
| Net investment in capital assets | 6,100,070 | 20,343,502 | 26,443,572 |
| Restricted for: | | | |
| Debt service | 432,522 | - | 432,522 |
| Construction | 38,283 | - | 38,283 |
| Culture | 273,354 | - | 273,354 |
| Economic development | 1,591,518 | - | 1,591,518 |
| General administration | 271,536 | - | 271,536 |
| Grants | 94,903 | - | 94,903 |
| Hotel/Motel | 643,688 | - | 643,688 |
| Public safety | 309,428 | - | 309,428 |
| Net pension asset | 1,093,445 | 1,067,244 | 2,160,689 |
| Unrestricted | 2,708,406 | 2,826,574 | 5,534,980 |
| Total Net Position | <u>\$ 13,557,153</u> | <u>\$ 24,237,320</u> | <u>\$ 37,794,473</u> |

See Notes to Financial Statements.

CITY OF BEEVILLE, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

| Functions/Programs | Expenses | Program Revenues | | |
|--------------------------------|---------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| Governmental Activities | | | | |
| General government | \$ 3,407,198 | \$ 353,908 | \$ 805,319 | \$ - |
| Public safety | 4,121,196 | 285,609 | 246,756 | 100,000 |
| Public works | 4,507,447 | 2,496,343 | - | 438,114 |
| Culture and recreation | 1,422,009 | 111,632 | - | - |
| Interest and fiscal charges | 503,822 | - | - | - |
| Total Governmental Activities | 13,961,672 | 3,247,492 | 1,052,075 | 538,114 |
| Business-Type Activities | | | | |
| Utility | 8,251,135 | 9,844,403 | - | - |
| Total Business-Type Activities | 8,251,135 | 9,844,403 | - | - |
| Total Primary Government | \$ 22,212,807 | \$ 13,091,895 | \$ 1,052,075 | \$ 538,114 |

General Revenues:

Taxes:

Property taxes

Sales taxes

Franchise fees and local taxes

Investment income

Other

Transfers in (out)

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government

| Governmental Activities | Business-Type Activities | Total |
|------------------------------------|-------------------------------------|----------------------|
| \$ (2,247,971) | \$ - | \$ (2,247,971) |
| (3,488,831) | - | (3,488,831) |
| (1,572,990) | - | (1,572,990) |
| (1,310,377) | - | (1,310,377) |
| (503,822) | - | (503,822) |
| (9,123,991) | - | (9,123,991) |
| - | 1,593,268 | 1,593,268 |
| - | 1,593,268 | 1,593,268 |
| (9,123,991) | 1,593,268 | (7,530,723) |
| 3,530,969 | - | 3,530,969 |
| 4,342,391 | - | 4,342,391 |
| 900,122 | - | 900,122 |
| 229,243 | 62,316 | 291,559 |
| 84,687 | 171,351 | 256,038 |
| 14,283 | (14,283) | - |
| 9,101,695 | 219,384 | 9,321,079 |
| (22,296) | 1,812,652 | 1,790,356 |
| 13,579,449 | 22,424,668 | 36,004,117 |
| <u>\$ 13,557,153</u> | <u>\$ 24,237,320</u> | <u>\$ 37,794,473</u> |

CITY OF BEEVILLE, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2023

| | General | Debt Service | COVID Grant | 2023 CO Capital Projects |
|--|---------------------|-------------------|---------------------|-----------------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 902,303 | \$ 350,806 | \$ 1,499,608 | \$ 16,805,024 |
| Investments | 5,007 | - | - | - |
| Due from other governments | - | - | - | - |
| Receivables, net | 1,584,485 | 126,767 | - | - |
| Due from other funds | 68,806 | - | - | - |
| Prepays | 18,841 | - | - | - |
| Total Assets | \$ 2,579,442 | \$ 477,573 | \$ 1,499,608 | \$ 16,805,024 |
| <u>Liabilities</u> | | | | |
| Accounts payable and accrued liabilities | \$ 316,124 | \$ - | \$ 19,373 | \$ 765,000 |
| Accrued wages | 86,878 | - | - | - |
| Due to other funds | - | - | - | - |
| Unearned revenue | - | - | 1,423,353 | - |
| Total Liabilities | 403,002 | - | 1,442,726 | 765,000 |
| <u>Deferred Inflows of Resources</u> | | | | |
| Deferred inflows - lease | 65,182 | - | - | - |
| Unavailable revenue - garbage | 62,900 | - | - | - |
| Unavailable revenue - court fines and warrants | 230,286 | - | - | - |
| Unavailable revenue - property taxes | 358,059 | 120,539 | - | - |
| Total Deferred Inflows of Resources | 716,427 | 120,539 | - | - |
| <u>Fund Balances</u> | | | | |
| Nonspendable: | | | | |
| Prepays | 18,841 | - | - | - |
| Restricted: | | | | |
| Debt service | - | 357,034 | - | - |
| Construction | - | - | - | 16,040,024 |
| Culture | - | - | - | - |
| Economic development | - | - | - | - |
| General administration | - | - | - | - |
| Grants | - | - | 56,882 | - |
| Hotel/Motel | - | - | - | - |
| Public safety | - | - | - | - |
| Committed | - | - | - | - |
| Unassigned | 1,441,172 | - | - | - |
| Total Fund Balances | 1,460,013 | 357,034 | 56,882 | 16,040,024 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 2,579,442 | \$ 477,573 | \$ 1,499,608 | \$ 16,805,024 |

See Notes to Financial Statements.

| Nonmajor Governmental | Total Governmental Funds |
|----------------------------------|---|
| \$ 3,045,014 | \$ 22,602,755 |
| 677,337 | 682,344 |
| 140,814 | 140,814 |
| 433,663 | 2,144,915 |
| - | 68,806 |
| - | 18,841 |
| <u>\$ 4,296,828</u> | <u>\$ 25,658,475</u> |
| | |
| \$ 165,465 | \$ 1,265,962 |
| - | 86,878 |
| 68,806 | 68,806 |
| 154,048 | 1,577,401 |
| <u>388,319</u> | <u>2,999,047</u> |
| | |
| - | 65,182 |
| - | 62,900 |
| | |
| - | 230,286 |
| - | 478,598 |
| <u>-</u> | <u>836,966</u> |
| | |
| - | 18,841 |
| | |
| 56,611 | 413,645 |
| 175,466 | 16,215,490 |
| 273,354 | 273,354 |
| 1,591,518 | 1,591,518 |
| 271,536 | 271,536 |
| 38,021 | 94,903 |
| 643,688 | 643,688 |
| 309,428 | 309,428 |
| 564,834 | 564,834 |
| (15,947) | 1,425,225 |
| <u>3,908,509</u> | <u>21,822,462</u> |
| | |
| <u>\$ 4,296,828</u> | <u>\$ 25,658,475</u> |

CITY OF BEEVILLE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2023

| | |
|---|----------------------|
| Total fund balances for the governmental funds | \$ 21,822,462 |
| Adjustments for the Statement of Net Position: | |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. | |
| Nondepreciable/amortizable capital assets | 1,685,665 |
| Depreciable/amortizable capital assets | 26,191,334 |
| Accumulated depreciation/amortization | (15,597,584) |
| Noncurrent asset and deferred outflows and inflows related to the pensions are not reported in the governmental funds. | |
| Net pension asset | 1,093,445 |
| Deferred outflows - pensions | 822,633 |
| Deferred inflows - pensions | (37,343) |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. | |
| Unavailable revenue related to property taxes | 478,598 |
| Unavailable revenue related to court fines and warrants | 230,286 |
| Unavailable revenue related to garbage | 62,900 |
| Liabilities from accrued interest payable and long-term liabilities from debt, compensated absences, and total OPEB liability are not reported in the governmental funds. | |
| Accrued interest payable | (101,662) |
| Long-term liabilities due within one year | (2,089,593) |
| Long-term liabilities due in more than one year | (21,003,988) |
| Net Position of Governmental Activities | \$ 13,557,153 |

See Notes to Financial Statements.

CITY OF BEEVILLE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

| Revenues | General | Debt Service | COVID Grant | 2023 CO Capital Projects |
|--|---------------------|-------------------------|------------------------|-------------------------------------|
| Property taxes | \$ 2,597,289 | \$ 867,189 | \$ - | \$ - |
| Sales taxes | 2,895,147 | - | - | - |
| Occupancy taxes | - | - | - | - |
| Charges for services | 2,824,219 | - | - | - |
| Franchise fees and local taxes | 597,758 | - | - | - |
| Fines and forfeitures | 152,894 | - | - | - |
| Licenses and permits | 179,757 | - | - | - |
| Investment income | 31,089 | 7,192 | 34,059 | 95,997 |
| Intergovernmental | 14,802 | - | 798,502 | - |
| Other | 89,728 | - | - | - |
| Total Revenues | 9,382,683 | 874,381 | 832,561 | 95,997 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 2,221,252 | - | 31,028 | - |
| Public safety | 3,561,883 | - | - | - |
| Public works | 4,101,038 | - | - | - |
| Culture and recreation | 977,671 | - | - | - |
| Debt service: | | | | |
| Principal | 62,264 | 282,655 | - | - |
| Interest and fiscal charges | 1,784 | 95,392 | - | - |
| Issuance costs | - | - | - | 314,660 |
| Capital outlay | 881,373 | - | 337,007 | 765,000 |
| Total Expenditures | 11,807,265 | 378,047 | 368,035 | 1,079,660 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,424,582) | 496,334 | 464,526 | (983,663) |
| Other Financing Sources (Uses) | | | | |
| Bond proceeds | - | 4,133 | - | 16,535,867 |
| Bond premiums | - | - | - | 643,793 |
| Leases | 690,215 | - | - | - |
| Subscriptions | 64,545 | - | - | - |
| Transfers in | 1,926,414 | 72,792 | - | - |
| Transfers (out) | (72,792) | (688,958) | (430,467) | (155,973) |
| Total Other Financing Sources (Uses) | 2,608,382 | (612,033) | (430,467) | 17,023,687 |
| Net Change in Fund Balances | 183,800 | (115,699) | 34,059 | 16,040,024 |
| Beginning fund balances | 1,276,213 | 472,733 | 22,823 | - |
| Ending Fund Balances | \$ 1,460,013 | \$ 357,034 | \$ 56,882 | \$ 16,040,024 |

See Notes to Financial Statements.

| Nonmajor Governmental | Total Governmental Funds |
|----------------------------------|---|
| \$ - | \$ 3,464,478 |
| 1,447,244 | 4,342,391 |
| 284,258 | 284,258 |
| 111,632 | 2,935,851 |
| 18,106 | 615,864 |
| 11,309 | 164,203 |
| - | 179,757 |
| 60,906 | 229,243 |
| 676,885 | 1,490,189 |
| 85,823 | 175,551 |
| <u>2,696,163</u> | <u>13,881,785</u> |
| 676,951 | 2,929,231 |
| 89,947 | 3,651,830 |
| 41,957 | 4,142,995 |
| 4,295 | 981,966 |
| 391,000 | 735,919 |
| 38,741 | 135,917 |
| - | 314,660 |
| <u>1,701,284</u> | <u>3,684,664</u> |
| <u>2,944,175</u> | <u>16,577,182</u> |
| <u>(248,012)</u> | <u>(2,695,397)</u> |
| - | 16,540,000 |
| - | 643,793 |
| - | 690,215 |
| - | 64,545 |
| 269,977 | 2,269,183 |
| (480,069) | (1,828,259) |
| <u>(210,092)</u> | <u>18,379,477</u> |
| (458,104) | 15,684,080 |
| <u>4,366,613</u> | <u>6,138,382</u> |
| <u>\$ 3,908,509</u> | <u>\$ 21,822,462</u> |

CITY OF BEEVILLE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

Net changes in fund balances - total governmental funds \$ 15,684,080

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

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

| | |
|-----------------------------------|-------------|
| Capital asset acquisitions | 3,397,409 |
| Capital contributions | 100,000 |
| Depreciation/amortization expense | (1,365,523) |
| Net disposals | (90,864) |

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

| | |
|---|----------|
| Net change in unavailable revenues - property taxes | 66,491 |
| Net change in unavailable revenues - court fines and warrants | 9,948 |
| Net change in unavailable revenues - garbage | (42,267) |

Changes in net pension liability/(asset) and deferred outflows and inflows related to the net pension liability/(asset) are not reported in the governmental funds.

| | |
|------------------------------|-------------|
| Net pension (asset) | (1,596,829) |
| Deferred outflows - pensions | 592,807 |
| Deferred inflows - pensions | 489,031 |

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 premiums, discounts, 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.

| | |
|----------------------------------|--------------|
| Principal paid on long-term debt | 735,919 |
| Amortization of premium | 29,700 |
| Accrued interest expense | (82,945) |
| Issuance of debt | (16,540,000) |
| Premiums on issuance of debt | (643,793) |
| Leases | (690,215) |
| Subscriptions | (64,545) |

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 the governmental funds.

| | |
|----------------------|----------|
| Compensated absences | (10,700) |
|----------------------|----------|

| | |
|--|--------------------|
| Change in Net Position of Governmental Activities | \$ (22,296) |
|--|--------------------|

See Notes to Financial Statements.

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CITY OF BEEVILLE, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2023

| | Business-Type Activities Utility |
|--|--|
| <u>Assets</u> | |
| Current Assets | |
| Cash and cash equivalents | \$ 1,525,153 |
| Restricted cash and cash equivalents | 995,508 |
| Receivables, net | 1,311,419 |
| Total Current Assets | 3,832,080 |
| Noncurrent Assets | |
| Net pension asset | 1,067,244 |
| Capital assets: | |
| Right-to-use assets | 113,418 |
| Land | 318,924 |
| Construction in progress | 16,825,906 |
| Building | 548,396 |
| Infrastructure | 37,413,045 |
| Machinery and equipment | 2,668,932 |
| Less accumulated depreciation/amortization | (19,564,363) |
| Total Net Depreciable/Amortizable Assets | 38,324,258 |
| Total Noncurrent Assets | 39,391,502 |
| Total Assets | 43,223,582 |
| <u>Deferred Outflows of Resources</u> | |
| Deferred outflows - pensions | 221,264 |
| Deferred charge on refunding | 23,917 |
| Total Deferred Outflows of Resources | 245,181 |
| <u>Liabilities</u> | |
| Current Liabilities | |
| Accounts payable and accrued liabilities | 97,004 |
| Accrued interest payable | 93,801 |
| Accrued wages payable | 18,292 |
| Customer deposits | 382,842 |
| Bonds, notes, and other payables - current | 1,226,695 |
| Compensated absences | 71,780 |
| Total Current Liabilities | 1,890,414 |
| Noncurrent Liabilities | |
| Bonds, notes, and other payables, net of premium | 17,228,140 |
| Compensated absences | 7,976 |
| Total Noncurrent Liabilities | 17,236,116 |
| Total Liabilities | 19,126,530 |
| <u>Deferred Inflows of Resources</u> | |
| Deferred inflows - pensions | 104,913 |
| <u>Net Position</u> | |
| Net investment in capital assets | 20,343,502 |
| Restricted | 1,067,244 |
| Unrestricted | 2,826,574 |
| Total Net Position | \$ 24,237,320 |

See Notes to Financial Statements.

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

For the Year Ended September 30, 2023

| | Business-Type Activities |
|---|-------------------------------------|
| | Utility |
| <u>Operating Revenues</u> | |
| Water charges | \$ 6,003,660 |
| Wastewater charges | 3,840,743 |
| Other | 171,351 |
| Total Operating Revenues | 10,015,754 |
| <u>Operating Expenses</u> | |
| Personnel | 1,233,532 |
| Supplies | 106,134 |
| Services | 5,222,845 |
| Depreciation/amortization | 1,182,346 |
| Total Operating Expenses | 7,744,857 |
| Operating Income | 2,270,897 |
| <u>Nonoperating Revenues (Expenses)</u> | |
| Investment earnings | 62,316 |
| Interest expense | (506,278) |
| Total Nonoperating (Expenses) | (443,962) |
| Income (Loss) Before Transfers and Contributions | 1,826,935 |
| <u>Transfers and Contributions</u> | |
| Capital contributions | 426,641 |
| Transfers in | 1,013,764 |
| Transfers out | (1,454,688) |
| Total Transfers and Contributions | (14,283) |
| Change in Net Position | 1,812,652 |
| Beginning net position | 22,424,668 |
| Ending Net Position | \$ 24,237,320 |

See Notes to Financial Statements.

CITY OF BEEVILLE, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

For the Year Ended September 30, 2023

| | Business-Type Activities |
|--|-----------------------------|
| | Utility |
| <u>Cash Flows from Operating Activities</u> | |
| Receipts from customers | \$ 10,551,316 |
| Payments to suppliers | (5,679,449) |
| Payments to employees | (1,144,034) |
| Net Cash Provided by Operating Activities | 3,727,833 |
| <u>Cash Flows from Noncapital Financing Activities</u> | |
| Transfers in | 1,013,764 |
| Transfers (out) | (1,454,688) |
| Net Cash (Used) by Noncapital Financing Activities | (440,924) |
| <u>Cash Flows from Capital and Related Financing Activities</u> | |
| Acquisition and construction of capital assets | (1,158,493) |
| Principal paid on capital debt | (882,351) |
| Interest payments | (459,671) |
| Net Cash (Used) by Capital and Related Financing Activities | (2,500,515) |
| <u>Cash Flows from Investing Activities</u> | |
| Interest received | 62,316 |
| Net Cash Provided by Investing Activities | 62,316 |
| Net Increase in Cash and Cash Equivalents | 848,710 |
| Beginning cash and cash equivalents | 1,671,951 |
| Ending Cash and Cash Equivalents | \$ 2,520,661 |
| Ending Cash and Cash Equivalents: | |
| Unrestricted cash and cash equivalents | \$ 1,525,153 |
| Restricted cash and cash equivalents | 995,508 |
| Ending Cash and Cash Equivalents | \$ 2,520,661 |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities | |
| Operating income | \$ 2,270,897 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation/Amortization | 1,182,346 |
| Changes in Operating Assets and Liabilities: | |
| (Increase) Decrease in: | |
| Accounts receivable | 512,805 |
| Net pension asset | 347,469 |
| Deferred outflows - pension | (128,995) |
| Increase (Decrease) in: | |
| Accounts payable and accrued liabilities | (350,470) |
| Accrued wages payable | (38,582) |
| Customer deposits | 22,757 |
| Compensated absences | 16,019 |
| Deferred inflows - pension | (106,413) |
| Net Cash Provided by Operating Activities | \$ 3,727,833 |
| Schedule of Non-Cash Capital and Related Financing Activities: | |
| Capital contributions | \$ 426,641 |
| Right-to-use assets | 113,418 |
| Lease liability | (113,418) |
| Total Non-Cash Capital and Related Financing Activities | \$ 426,641 |

See Notes to Financial Statements.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Beeville, Texas (the “City”) was incorporated by an election. The City operates under a Home Rule City type of government and provides the following services: public safety (fire, ambulance, and law enforcement), public transportation (streets), health, culture, recreation, public facilities, legal, election functions, and general administrative services.

The City Manager is appointed by a majority vote of the City Council and is responsible to the City Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City is an independent political subdivision of the State governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. The Beeville Economic Improvement Corporation, although legally separate, is considered part of the reporting entity. No other entities have been included in the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Blended Component Unit

Beeville Economic Improvement Corporation

The Beeville Economic Improvement Corporation (BEIC) was created by State law to provide financing for economic development objectives and infrastructure improvements. Revenues are provided primarily with funds derived from 0.375% sales and use tax approved by the voters. The City Council appoints the board and has financial accountability. Although it is legally separate from the City, the BEIC is reported as if it were part of the primary government because its primary purpose is to issue revenue bonds to finance major capital improvements on behalf of the City.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The City reports the following governmental funds:

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

The *debt service fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for debt service is local property taxes. While the debt service fund did not meet the criteria to be reported as a major fund, the City has elected to present it as major due to its significance.

The *special revenue funds* are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The COVID grant fund is considered a major fund for reporting purposes. The remaining special revenue funds are considered nonmajor funds for reporting purposes.

The *capital projects funds* are used to account for the expenditures of resources accumulated from bonds, notes and related interest earnings for capital improvement projects. The 2023 Certificates of Obligation (CO) capital projects fund is considered a major fund for reporting purposes. The remaining capital projects funds are considered nonmajor funds for reporting purposes.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

The City reports the following proprietary fund:

The *enterprise fund* is used to account for the activities of the water distribution system, the sewer and sewage treatment plant, sewage pumping stations, and collection systems. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The utility fund is considered a major fund for reporting purposes.

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

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

E. Measurement Focus and Basis of Accounting

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

The government-wide 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 as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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 expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Entitlements

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

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

2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest-earning contracts, such as certificates of deposit, are reported at cost.

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

- Direct obligations of the U.S. government
- Fully collateralized certificates of deposit
- Money market accounts
- Statewide investment pools

3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to the future accounting period (prepaid expenditures) and are recognized as expenditures when utilized.

4. Capital Assets

Capital assets, which include property, machinery, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

improvements are capitalized as projects are constructed. Interest costs incurred in connection with the construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, machinery, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years:

| <u>Asset Description</u> | <u>Estimated Useful Life</u> |
|-----------------------------|------------------------------|
| Buildings and improvements | 10-50 years |
| Machinery and equipment | 3-10 years |
| Vehicles | 3-10 years |
| Water and wastewater system | 5-50 years |
| Infrastructure | 10-50 years |

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension activities are amortized over the average of the expected service lives of pension plan members, except for the net differences between the projected and actual investment earnings on the pension plan assets, which are amortized over a period of five years.
- For employer pension plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in 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.
- A deferred inflow related to lease receivable is recognized at the fund level under modified accrual basis of accounting and on the Statement of Net Position under the full accrual basis of accounting. The revenue is recognized at the fund level and on the Statement of Activities as the deferred inflow from lease receivable is amortized.

At the fund level, the City has two types of items, which arises under a modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, the items are reported in the governmental funds balance sheet. The governmental funds report unavailable revenues as well as deferred inflows from leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

6. Compensated Employee Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Amounts accumulated, up to certain amounts, may be paid to employees upon termination of employment. The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations. One-half of sick leave up to 120 hours, all vacation pay up to 240 hours, all compensatory time up to 240 hours, and all police compensatory time up to 480 hours are accrued when incurred.

7. 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 straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund. Although a portion of the general obligation debt was directly related to the purchase of utility infrastructure, the debt service expenditures are included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of utility revenues.

8. Leases

Lessee

The City is a lessee for a noncancellable lease of vehicles and equipment. The City recognizes a lease liability and an intangible, right-to-use lease asset (the "lease asset") in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor

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

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

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

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

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

9. Subscription-Based Information Technology Arrangements

The City has noncancellable subscription-based information technology arrangements (SBITAs) to finance the use of information technology software. The City recognizes a liability (the “subscription liability”) and an intangible, right-to-use subscription asset (the “subscription asset”) in the government-wide financial statements.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

At the commencement of the SBITAs, the City initially measures the subscription liability at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using either the implicit rate or the City's incremental borrowing rate if the interest rate is not readily determinable. The subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, plus payments made before the commencement of the subscription term and capitalizable implementation costs. The subscription asset is reduced for any vendor incentives received. The subscription asset is amortized on a straight-line basis over the subscription term.

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

- The City uses the interest rate charged on the SBITAs as the discount rate. When the interest rate charged on the SBITAs is not provided, the City uses its estimated incremental borrowing rate as the discount rate.
- The term includes the noncancellable period of the SBITAs plus options periods, in which one party may exercise, that the City is reasonably certain will be exercised.
- The subscription payments included in the measurement of the subscription liability are composed of fixed or fixed in substance payments and other payments associated with the SBITA that the City is reasonably certain to make based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its subscription arrangements and will remeasure the subscription liability and asset if certain changes occur that are expected to significantly affect the amount of the subscription liability. The subscription liabilities are reported with long-term debt and the subscription assets are reported with other capital assets on the Statement of Net Position.

10. 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.

11. Fund Balance Flow Assumptions

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.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

12. Fund Balance Policies

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

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

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

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

In fiscal year 2023, the City Council adopted a minimum fund balance policy for the general fund. The policy required the unassigned fund balance at fiscal year-end to be at least equal to 20 percent of the subsequent year's budgeted general fund expenditures.

13. Estimates

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

14. Pensions

For the purposes of measuring the net pension liability/(asset), 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' 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.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

G. Revenues and Expenditures/Expenses

1. 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 (including special assessments) 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 as program revenues.

2. Property Taxes

Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of budgetary control is at the fund level. The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the finance director and city manager. Amendments to the budget require City Council approval if the amendments are between funds. Appropriations lapse at the end of the year. Supplemental budget appropriations were made for the fiscal year. The general fund, debt service fund, and certain special revenue funds all have adopted budgets. During the year, the City amended its budget to reflect current levels of revenues and anticipated expenditures. There were not any material changes between the original budget and the final amended budget.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

A. Expenditures in Excess of Appropriations

Expenditures exceeded the appropriations at the legal level of control as follows:

| | | |
|--|----|---------|
| General Fund | \$ | 326,233 |
| COVID Grant | \$ | 100,202 |
| Beeville Economic Improvement Corporation Fund | \$ | 37,325 |
| CDBG Grant Fund | \$ | 139,831 |
| Fire Equipment Fund | \$ | 155,674 |
| Main Street Fund | \$ | 10,199 |
| Street Maintenance Fund | \$ | 178,692 |

B. Deficit Fund Balance

As of September 30, 2023, The following funds report a deficit fund balance:

| | | |
|---------------------------|----|--------|
| CDBG Grant Fund | \$ | 15,847 |
| TPWD Grant Fund | | 14 |
| Non-Specific Capital Fund | | 86 |

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2023, the City had the following investments:

| Investment Type | Fair Value | Weighted Average Maturity (Years) |
|--------------------------|----------------------|--------------------------------------|
| TexPool | \$ 17,664,897 | 0.07 |
| Certificates of deposit | 682,344 | 0.96 |
| Total Investments | \$ 18,347,241 | |

| | |
|-------------------------------------|------|
| Portfolio Weighted Average Maturity | 0.10 |
|-------------------------------------|------|

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term investments.

Credit risk. State law and the City's investment policy limits investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent. Further, commercial paper must be rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies. As of year end, the City's investments in the investment pool were rated "AAAm" by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the U.S. government or the issuing U.S. agency.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Custodial credit risk – deposits. In the case of deposits, this is the risk that the City’s deposits may not be returned in the event of a bank failure. The City’s investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2023, fair market values of pledged securities and FDIC coverage exceeded bank balances.

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

TexPool

TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Standard & Poor’s rated TexPool “AAAm”. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool’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 TexPool’s liquidity.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

B. Receivables

The following comprise receivable balances at year end:

| | General | Debt Service | Nonmajor Governmental | Utility | Total |
|---------------------|---------------------|-------------------------|----------------------------------|---------------------|---------------------|
| Property taxes | \$ 384,522 | \$ 129,520 | \$ - | \$ - | \$ 514,042 |
| Sales taxes | 504,960 | - | 63,120 | - | 568,080 |
| Accounts | 322,471 | - | 14,517 | 1,347,670 | 1,684,658 |
| Franchise fees | 82,031 | - | - | - | 82,031 |
| Hotel occupancy tax | - | - | 160,312 | - | 160,312 |
| Leases | 69,873 | - | - | - | 69,873 |
| Miscellaneous | 256,599 | 6,228 | 196,104 | 6,291 | 465,222 |
| Allowance | (35,971) | (8,981) | (390) | (42,542) | (87,884) |
| Totals | \$ 1,584,485 | \$ 126,767 | \$ 433,663 | \$ 1,311,419 | \$ 3,456,334 |

C. Lease Receivable

The City has entered into a lease agreement (the "Agreement") as a lessor for the use of land with the lessee (Southern Towers, Inc.). The remaining term of the Agreement, including the renewal option in which it is probable the option will be exercised is 60 months at the start of fiscal year 2023. The annual payments for the lease range from \$1,278 to \$1,712. An initial lease receivable and deferred inflow of resources from leases are recorded in the amount of \$81,145 at the beginning of the fiscal year within the general fund. As of September 30, 2023, the value of the lease receivable is \$69,873. The interest rate on the lease receivable is based on the City's incremental borrowing rate of 6.50%. The lease revenue for fiscal year 2023 was \$20,454 which consists of an interest payment on the lease receivable of \$4,491 and the amortization of the deferred inflow of resources from the lease of \$15,963. The remaining principal and interest payments from leases are as follows:

| Fiscal Year Ending Sep. 30 | Lease Receivable | | | Amortization of Deferred Inflows |
|-------------------------------------|------------------|-----------|-----------|--|
| | Lease Receipts | | | |
| | Principal | Interest | Total | |
| | | | | |
| 2024 | \$ 14,427 | \$ 4,124 | \$ 18,551 | \$ 15,963 |
| 2025 | 16,190 | 3,129 | 19,319 | 15,963 |
| 2026 | 17,871 | 2,027 | 19,898 | 15,963 |
| 2027 | 19,683 | 812 | 20,495 | 15,963 |
| 2028 | 1,702 | 9 | 1,711 | 1,330 |
| Total | \$ 69,873 | \$ 10,101 | \$ 79,974 | \$ 65,182 |

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

D. Capital Assets

The following is a summary of changes in capital assets for governmental activities for the year:

| | *Beginning Balance | Increases | (Decreases) | Ending Balance |
|---|-----------------------|---------------------|---|---------------------|
| Governmental Activities | | | | |
| Capital assets not being depreciated/amortized: | | | | |
| Land | \$ 719,552 | \$ - | \$ - | \$ 719,552 |
| Construction in progress | 152,549 | 813,564 | - | 966,113 |
| Total capital assets not being depreciated/amortized | <u>872,101</u> | <u>813,564</u> | <u>-</u> | <u>1,685,665</u> |
| Other capital assets: | | | | |
| Infrastructure | 4,059,774 | 239,981 | - | 4,299,755 |
| Buildings and improvements | 11,809,797 | 1,001,887 | - | 12,811,684 |
| Vehicles and equipment | 7,529,925 | 561,612 | - | 8,091,537 |
| Intangibles | 127,772 | - | (127,772) | - |
| Right-to-use assets vehicles and equipment | - | 690,215 | - | 690,215 |
| Subscription assets | 107,993 | 190,150 | - | 298,143 |
| Total other capital assets | <u>23,635,261</u> | <u>2,683,845</u> | <u>(127,772)</u> | <u>26,191,334</u> |
| Less accumulated depreciation/amortization for: | | | | |
| Infrastructure | (2,029,678) | (139,354) | - | (2,169,032) |
| Buildings and improvements | (5,916,275) | (535,042) | - | (6,451,317) |
| Vehicles and equipment | (6,286,108) | (591,948) | - | (6,878,056) |
| Intangibles | (36,908) | - | 36,908 | - |
| Right-to-use assets vehicles and equipment | - | (7,153) | - | (7,153) |
| Subscription assets | - | (92,026) | - | (92,026) |
| Total accumulated depreciation/amortization | <u>(14,268,969)</u> | <u>(1,365,523)</u> | <u>36,908</u> | <u>(15,597,584)</u> |
| Other capital assets, net | <u>9,366,292</u> | <u>1,318,322</u> | <u>(90,864)</u> | <u>10,593,750</u> |
| Total Governmental Activities Capital Assets, Net | <u>\$ 10,238,393</u> | <u>\$ 2,131,886</u> | <u>\$ (90,864)</u> | <u>12,279,415</u> |
| | | | Less associated debt | (22,356,552) |
| | | | Unspent debt proceeds | 16,177,207 |
| | | | Net Investment in Capital Assets | <u>\$ 6,100,070</u> |

*Restated.

Depreciation/amortization was charged to governmental functions as follows:

| | |
|--|---------------------|
| General government | \$ 324,306 |
| Public safety | 232,264 |
| Public works | 416,804 |
| Culture and recreation | 392,149 |
| Total Governmental Activities Depreciation/Amortization Expense | <u>\$ 1,365,523</u> |

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Significant construction in progress and the remaining project costs under construction contracts for governmental activities at year end were as follows:

| Project Description | Total in Progress | Remaining Project Costs |
|--------------------------------------|----------------------|----------------------------|
| Governmental activities: | | |
| City Hall | \$ 289,989 | \$ 222,227 |
| Downtown Revitalization Program | 326,783 | 67,513 |
| Hurricane Harvey State MIT | 227,715 | 401,048 |
| Total Governmental Activities | \$ 844,487 | \$ 690,788 |

The following is a summary of changes in capital assets for business-type activities for the year:

| | *Beginning Balance | Increases | (Decreases) | Ending Balance |
|---|-----------------------|-------------------|---|----------------------|
| Business-Type Activities | | | | |
| Capital assets not being depreciated/amortized: | | | | |
| Land | \$ 318,924 | \$ - | \$ - | \$ 318,924 |
| Construction in progress | 15,360,110 | 1,465,796 | - | 16,825,906 |
| Total capital assets not being depreciated/amortized | 15,679,034 | 1,465,796 | - | 17,144,830 |
| Other capital assets: | | | | |
| Buildings and improvements | 548,396 | - | - | 548,396 |
| Machinery and equipment | 2,549,594 | 119,338 | - | 2,668,932 |
| Infrastructure | 37,413,045 | - | - | 37,413,045 |
| Right-to-use assets vehicles | - | 113,418 | - | 113,418 |
| Total other capital assets | 40,511,035 | 232,756 | - | 40,743,791 |
| Less accumulated depreciation/amortization for: | | | | |
| Buildings and improvements | (547,388) | (726) | - | (548,114) |
| Machinery and equipment | (1,992,531) | (199,804) | - | (2,192,335) |
| Infrastructure | (15,842,098) | (981,816) | - | (16,823,914) |
| Right-to-use assets vehicles | - | - | - | - |
| Total accumulated depreciation/amortization | (18,382,017) | (1,182,346) | - | (19,564,363) |
| Other capital assets, net | 22,129,018 | (949,590) | - | 21,179,428 |
| Total Business-Type Activities | | | | |
| Capital Assets, Net | \$ 37,808,052 | \$ 516,206 | \$ - | \$ 38,324,258 |
| | | | Less associated debt | (18,454,835) |
| | | | Unspent debt proceeds | 450,162 |
| | | | Plus deferred loss on refunding | 23,917 |
| | | | Net investment in Capital Assets | \$ 20,343,502 |

*Restated.

Depreciation/amortization was charged to business-type functions as follows:

| | |
|---|---------------------|
| Utility | \$ 1,182,346 |
| Total Business-Type Activities Depreciation/Amortization Expense | \$ 1,182,346 |

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Significant construction in progress and the remaining project costs under construction contracts for business-type activities at year end were as follows:

| Project Description | Total in Progress | Remaining Project Costs |
|---|----------------------|----------------------------|
| Business-type activities: | | |
| Moore Street Wastewater Treatment Plant | \$ 1,061,300 | \$ 32,200 |
| Total Business-Type Activities | \$ 1,061,300 | \$ 32,200 |

E. Long-Term Debt

The following is a summary of changes in the City's total long-term liabilities for the year.

| | Beginning Balance | Additions | Deductions | Ending Balance | Amounts Due Within One Year |
|---|----------------------|----------------------|-----------------------|----------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Bonds, notes, and other payables: | | | | | |
| Certificates of obligation | \$ 2,160,000 | \$ 16,540,000 | \$ (220,000) | \$ 18,480,000 | * \$ 747,500 |
| Sales tax revenue from direct borrowings/placements | 1,788,000 | - | (391,000) | 1,397,000 | * 405,000 |
| Premium | 59,259 | 643,793 | (29,700) | 673,352 | * - |
| Notes payable from direct borrowings/placements | 1,068,366 | - | (62,655) | 1,005,711 | * 64,516 |
| Lease liability | - | 690,215 | (6,568) | 683,647 | * 142,309 |
| Subscription liability | 107,993 | 64,545 | (55,696) | 116,842 | * 66,942 |
| Compensated absences | 726,329 | 375,031 | (364,331) | 737,029 | 663,326 |
| Total Governmental Activities | \$ 5,909,947 | \$ 18,313,584 | \$ (1,129,950) | \$ 23,093,581 | \$ 2,089,593 |
| Long-term debt due in more than one year | | | | \$ 21,003,988 | |
| *Debt associated with governmental activities capital assets | | | | \$ 22,356,552 | |

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

| | Beginning Balance | Additions | Deductions | Ending Balance | Amounts Due Within One Year |
|--|----------------------|-------------------|---------------------|----------------------|-----------------------------------|
| Business-Type Activities | | | | | |
| Bonds, notes, and other payables: | | | | | |
| General obligation from direct borrowings/placements | \$ 4,096,000 | \$ - | \$ (341,000) | \$ 3,755,000 | * \$ 349,000 |
| Certificates of obligation | 8,110,000 | - | (145,000) | 7,965,000 | * 447,500 |
| Certificates of obligation from direct borrowings/placements | 2,369,000 | - | (157,000) | 2,212,000 | * 158,000 |
| Premium | 598,965 | - | (31,524) | 567,441 | * - |
| Notes payable from direct borrowings/placements | 4,081,328 | - | (239,352) | 3,841,976 | * 246,460 |
| Lease liability | - | 113,418 | - | 113,418 | * 25,735 |
| Compensated absences | 63,737 | 72,299 | (56,280) | 79,756 | 71,780 |
| Total Business-Type Activities | <u>\$ 19,319,030</u> | <u>\$ 185,717</u> | <u>\$ (970,156)</u> | <u>\$ 18,534,591</u> | <u>\$ 1,298,475</u> |
| Long-term liabilities due in more than one year | | | | <u>\$ 17,236,116</u> | |
| *Debt associated with business-type activities capital assets | | | | <u>\$ 18,454,835</u> | |

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. For the governmental activities, compensated absences, the lease liability, and the subscription liability are generally liquidated by the general fund.

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

| Description | Interest Rates | Balance |
|---|----------------|----------------------|
| <u>Governmental Activities</u> | | |
| Certificates of Obligation | | |
| Series 2014 Tax and Revenue | 3.50%-4.00% | \$ 1,015,000 |
| Series 2020 Tax and Revenue | 1.88% | 925,000 |
| Series 2023 | 4.00%-5.00% | 16,540,000 |
| Total | | <u>18,480,000</u> |
| Sales Tax Revenue | | |
| Series 2011 | 3.26% | 837,000 |
| Series 2017 | 2.27% | 560,000 |
| Total | | <u>1,397,000</u> |
| Note Payable | | |
| 2020 PSI Engery Saving | 2.97% | 1,005,711 |
| Total Governmental Activities Long-Term Debt | | <u>\$ 20,882,711</u> |

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Business-Type Activities

General Obligation

| | | |
|-----------------------|-------------|------------------|
| Series 2016 | 1.01%-2.12% | \$ 3,035,000 |
| Series 2018 Refunding | 2.98% | 720,000 |
| Total | | 3,755,000 |

Certificates of Obligation

| | | |
|-----------------------------|-------------|-------------------|
| Series 2016 Tax and Revenue | 0.74%-1.72% | 2,212,000 |
| Series 2020 Tax and Revenue | 1.88% | 925,000 |
| Series 2021 Tax and Revenue | 3.00% | 7,040,000 |
| Total | | 10,177,000 |

Notes Payable

| | | |
|--------------------------------------|-------|------------------|
| 2020 PSI Engery Saving | 2.97% | 3,706,756 |
| 2021 PSI Engery Saving-1st Amendment | 2.97% | 135,220 |
| Total | | 3,841,976 |

Total Business-Type Activities Long-Term Debt \$ 17,773,976

The City is not obligated in any manner for special assessment debt.

The governmental activities annual requirements to amortize long-term debt issues outstanding at year end were as follows:

| Year Ending Sep 30 | Governmental Activities - Certificates of Obligation | | |
|-----------------------------------|---|----------------------|----------------------|
| | Principal | Interest | Total |
| 2024 | \$ 747,500 | \$ 775,711 | \$ 1,523,211 |
| 2025 | 760,000 | 765,642 | 1,525,642 |
| 2026 | 797,500 | 738,822 | 1,536,322 |
| 2027 | 835,000 | 710,155 | 1,545,155 |
| 2028 | 882,500 | 680,041 | 1,562,541 |
| 2029-2033 | 3,007,500 | 2,934,930 | 5,942,430 |
| 2034-2038 | 3,100,000 | 2,205,025 | 5,305,025 |
| 2039-2043 | 3,755,000 | 1,447,600 | 5,202,600 |
| 2044-2048 | 4,595,000 | 602,225 | 5,197,225 |
| Total | \$ 18,480,000 | \$ 10,860,151 | \$ 29,340,151 |

| Year Ending Sep 30 | Governmental Activities - Sales Tax Revenue | | |
|-----------------------------------|--|------------------|---------------------|
| | Principal | Interest | Total |
| 2024 | \$ 405,000 | \$ 39,981 | \$ 444,981 |
| 2025 | 419,000 | 28,119 | 447,119 |
| 2026 | 428,000 | 15,850 | 443,850 |
| 2027 | 145,000 | 3,287 | 148,287 |
| Total | \$ 1,397,000 | \$ 87,237 | \$ 1,484,237 |

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

| Year Ending Sep 30 | Governmental Activities - Note Payable | | |
|--------------------------|--|-------------------|---------------------|
| | Principal | Interest | Total |
| 2024 | \$ 64,516 | \$ 29,870 | \$ 94,386 |
| 2025 | 66,432 | 27,954 | 94,386 |
| 2026 | 68,405 | 25,980 | 94,385 |
| 2027 | 70,436 | 23,949 | 94,385 |
| 2028 | 72,528 | 21,857 | 94,385 |
| 2029-2033 | 396,261 | 75,665 | 471,926 |
| 2034-2036 | 267,133 | 16,022 | 283,155 |
| Total | \$ 1,005,711 | \$ 221,297 | \$ 1,227,008 |

The business-type activities annual requirements to amortize long-term debt issues outstanding at year end were as follows:

| Year Ending Sep 30 | Business-Type Activities - General Obligation | | |
|--------------------------|---|-------------------|---------------------|
| | Principal | Interest | Total |
| 2024 | \$ 349,000 | \$ 70,688 | \$ 419,688 |
| 2025 | 356,000 | 64,419 | 420,419 |
| 2026 | 363,000 | 57,866 | 420,866 |
| 2027 | 370,000 | 50,970 | 420,970 |
| 2028 | 377,000 | 43,588 | 420,588 |
| 2029-2033 | 1,175,000 | 149,420 | 1,324,420 |
| 2034-2036 | 765,000 | 32,470 | 797,470 |
| Total | \$ 3,755,000 | \$ 469,421 | \$ 4,224,421 |

| Year Ending Sep 30 | Business-Type Activities - Certificates of Obligation | | |
|--------------------------|---|---------------------|----------------------|
| | Principal | Interest | Total |
| 2024 | \$ 447,500 | \$ 224,090 | \$ 671,590 |
| 2025 | 460,000 | 212,167 | 672,167 |
| 2026 | 472,500 | 199,897 | 672,397 |
| 2027 | 480,000 | 187,355 | 667,355 |
| 2028 | 492,500 | 174,541 | 667,041 |
| 2029-2033 | 2,012,500 | 684,805 | 2,697,305 |
| 2034-2038 | 2,145,000 | 382,875 | 2,527,875 |
| 2039-2041 | 1,455,000 | 66,375 | 1,521,375 |
| Total | \$ 7,965,000 | \$ 2,132,105 | \$ 10,097,105 |

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

| Year Ending Sep 30 | Business-Type Activities - Certificates of Obligation from Direct Borrowings/Placements | | |
|--------------------------|--|-------------------|---------------------|
| | Principal | Interest | Total |
| 2024 | \$ 158,000 | \$ 29,530 | \$ 187,530 |
| 2025 | 159,000 | 28,238 | 187,238 |
| 2026 | 161,000 | 26,693 | 187,693 |
| 2027 | 162,000 | 24,892 | 186,892 |
| 2028 | 165,000 | 22,864 | 187,864 |
| 2029-2033 | 858,000 | 78,831 | 936,831 |
| 2034-2038 | 549,000 | 14,077 | 563,077 |
| Total | \$ 2,212,000 | \$ 225,125 | \$ 2,437,125 |

| Year Ending Sep 30 | Business-Type Activities - Note Payable | | |
|--------------------------|---|-------------------|---------------------|
| | Principal | Interest | Total |
| 2024 | \$ 246,460 | \$ 114,107 | \$ 360,567 |
| 2025 | 253,780 | 106,787 | 360,567 |
| 2026 | 261,317 | 99,250 | 360,567 |
| 2027 | 269,078 | 91,488 | 360,566 |
| 2028 | 277,070 | 83,497 | 360,567 |
| 2029-2033 | 1,513,781 | 289,052 | 1,802,833 |
| 2034-2036 | 1,020,490 | 61,208 | 1,081,698 |
| Total | \$ 3,841,976 | \$ 845,389 | \$ 4,687,365 |

General Obligation Bonds

The City issued general obligation bonds to provide funds for the acquisition and construction of utility system assets. General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds for business-type activities will be paid with utility rate revenues.

Certificates of Obligation

The City has issued tax and revenue certificates of obligation to provide funds for the acquisition and construction of major capital facilities. Certificates of obligation are direct obligations of the City for which its full faith and credit are pledged. Repayment of certificates for governmental activities is from taxes levied on all taxable property located within the City, while business-type activities will be paid with utility rate revenues.

During the fiscal year, the City issued \$16,540,000 in Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2023 (the "Certificates"). Proceeds from the Certificates will be used for (1) designing, constructing, acquiring, purchasing, renovating, enlarging, and improving the City's water works and sewer utility system; (2) designing, constructing, acquiring, purchasing, renovating, enlarging, and improving City public works, administration, and safety facilities, including improvements to City Hall and the Police Station; (3) purchasing public works, public safety, and administration-related vehicles; (4) purchasing real property, materials, supplies, equipment, information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements; and (5) pay the costs of issuance and expenses related to the Certificates. The

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Certificates will be paid by the debt service fund from property tax collections. The interest rates range from 4.00% to 5.00%. The Certificates mature on August 15, 2048.

Sales Tax Revenue Bonds

The Beeville Economic Improvement Corporation (BEIC) has issued sales tax revenue bonds to provide funds for the acquisition and construction of major capital facilities for the City. The sales tax revenue bonds are direct obligations of the BEIC which are pledged with, and will be repaid with, BEIC sales tax revenues.

Notes Payable

The City has entered into a lease purchasing agreement to finance the acquisition and installation of certain energy savings improvements at certain City facilities. The notes payable are direct obligations of the City for which its full faith and credit are pledged. Repayment of the notes payable for governmental activities is from taxes levied on all taxable property located within the City, while business-type activities will be paid with utility rate revenues.

Authorized Debt Limit

The City is authorized to issue debt up to 10% of the average full valuation of taxable real property which is currently \$87,202,846. The net indebtedness subject to the debt limit is \$21,999,518 resulting in a net debt contracting margin of \$65,203,328.

Federal 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 are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

Lease Liability

During the fiscal year, the City entered into lease agreements as a lessee for the acquisition and use of vehicles, equipment, and golf carts. An initial lease liability and right-to-use assets were recorded in the amount of \$690,215 for governmental activities and \$113,418 for business-type activities. As of September 30, 2023, the value of the lease liability was \$683,647 for governmental activities and \$113,418 for business-type activities. The City is required to make monthly principal and interest payments ranging from \$783 to \$1,771 for each agreement. The lease interest rate is based on an incremental borrowing rate of 6.50%. In addition, the City's right-to-use lease assets will be amortized using a straight-line basis over the remaining term of the lease. The value of the right-to-use assets, as of the end of the current fiscal year, was \$690,215 for governmental activities and \$113,418 for business-type activities and had an accumulated amortization of \$7,153 for governmental activities and \$0 for business-type activities.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

The future principal and interest lease payments as of September 30, 2023 were as follows:

| Year Ending Sep 30 | Governmental Activities - Lease Liability | | |
|-----------------------------------|--|-------------------|-------------------|
| | Principal | Interest | Total |
| 2024 | \$ 142,309 | \$ 43,985 | \$ 186,294 |
| 2025 | 151,589 | 34,705 | 186,294 |
| 2026 | 161,475 | 24,819 | 186,294 |
| 2027 | 172,005 | 14,289 | 186,294 |
| 2028 | 56,269 | 3,163 | 59,432 |
| Total | \$ 683,647 | \$ 120,961 | \$ 804,608 |

| Year Ending Sep 30 | Business-Type Activities - Lease Liability | | |
|-----------------------------------|---|------------------|-------------------|
| | Principal | Interest | Total |
| 2024 | \$ 25,735 | \$ 7,372 | \$ 33,107 |
| 2025 | 27,408 | 5,699 | 33,107 |
| 2026 | 29,189 | 3,918 | 33,107 |
| 2027 | 31,086 | 2,021 | 33,107 |
| Total | \$ 113,418 | \$ 19,010 | \$ 132,428 |

Subscription Liability

The City has entered into subscription-based information technology arrangements (SBITAs) to control the right to use software for public safety and finance. An initial subscription liability was recorded in the amount of \$172,538 and a subscription asset was recorded in the amount of \$298,143. As of September 30, 2023, the value of the subscription liability was \$116,842. The City is required to make annual principal and interest payments ranging from \$18,841 to \$55,696. The SBITAs' interest rate is based on an incremental borrowing rate of 6.50%. In addition, the City's subscription assets will be amortized using a straight-line basis over the remaining term of the SBITAs. The value of the subscription assets, as of the end of the current fiscal year was \$298,143 and had an accumulated amortization of \$92,026. The future principal and interest SBITAs payments as of September 30, 2023 were as follows:

| Year Ending Sep 30 | Governmental Activities - Subscription Liability | | |
|-----------------------------------|---|------------------|-------------------|
| | Principal | Interest | Total |
| 2024 | \$ 66,942 | \$ 7,595 | \$ 74,537 |
| 2025 | 15,597 | 3,243 | 18,840 |
| 2026 | 16,611 | 2,230 | 18,841 |
| 2027 | 17,692 | 1,150 | 18,842 |
| Total | \$ 116,842 | \$ 14,218 | \$ 131,060 |

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

F. Interfund Transactions

Interfund balances at September 30, 2023, consisted of the following:

| <u>Receivables Fund</u> | <u>Payables Fund</u> | <u>Amounts</u> |
|-------------------------|-----------------------|------------------|
| General Fund | Nonmajor Governmental | <u>\$ 68,806</u> |

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.

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

| <u>Transfers In</u> | <u>Transfers Out</u> | <u>Amounts</u> |
|-----------------------------|-----------------------------|---------------------|
| General Fund | Utility Fund | \$ 1,437,683 |
| General Fund | 2023 CO Capital Projects | 155,973 |
| General Fund | COVID Grant | 47,912 |
| General Fund | Nonmajor Governmental Funds | 284,846 |
| Debt Service Fund | General Fund | 72,792 |
| Nonmajor Governmental Funds | COVID Grant | 57,749 |
| Nonmajor Governmental Funds | Nonmajor Governmental Funds | 195,223 |
| Nonmajor Governmental Funds | Utility Fund | 17,005 |
| Utility Fund | Debt Service Fund | 688,958 |
| Utility Fund | COVID Grant | 324,806 |
| | | <u>\$ 3,282,947</u> |

Amounts transferred between funds related to amounts collected by the general fund for debt service payments. The 2023 CO capital projects fund transferred funds to the general fund to reimburse the general fund project expenditures. The debt service fund transferred funds to the utility fund for debt service payments. The COVID grant fund transferred funds to the general fund, nonmajor governmental funds, and utility fund to reimburse those funds for expenditures charged to a COVID grant. The nonmajor governmental fund transferred funds to the general fund and nonmajor governmental funds to reimburse those funds for various expenditures. The utility fund transferred funds to the general fund and nonmajor fund to cover various project costs.

G. Restricted Assets

As of September 30, 2023, the City held restricted cash and cash equivalents of \$995,508 in the enterprise fund for unsent bond proceeds and customer deposits.

H. Fund Equity

As of September 30, 2023, \$683,647 of the City's total fund balance is restricted by enabling legislation.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

I. Restatement

The City has restated fund balance and net position in multiple funds for the reasons and amounts noted in the charts below. Net position was restated for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The restatement had no effect on beginning net position.

| Governmental Activities | | | | | |
|---|---------------------|-------------------------------|--------------------|--|------------------------------------|
| | General | Street Maintenance | COVID Grant | Beeville Economic Improvement Corporation | Governmental Activities |
| Prior year ending fund balance/net position balance | \$ 1,368,996 | \$ 680,030 | \$ 2,244,678 | \$ 1,654,336 | \$ 15,167,199 |
| Sales tax receivable | 232,722 | 29,102 | - | 87,275 | 349,099 |
| Unavailable revenue - garbage | (105,167) | - | - | - | - |
| Unavailable revenue - municipal court | (220,338) | - | - | - | - |
| Unearned revenues - ARPA | - | - | (2,221,855) | - | (2,221,855) |
| Prior years payables and retainage not reversed | - | - | - | 83,225 | 83,225 |
| Leases receivable | 81,145 | - | - | - | 81,145 |
| Deferred inflows - leases | (81,145) | - | - | - | (81,145) |
| Subscription liability | - | - | - | - | (107,993) |
| Right-to-use subscription asset | - | - | - | - | 107,993 |
| Unrecognized prior year construction in progress | - | - | - | - | 201,781 |
| Beginning fund balance/net position balance - restated | \$ 1,276,213 | \$ 709,132 | \$ 22,823 | \$ 1,824,836 | \$ 13,579,449 |

| | | | | Business-Type Activities |
|--|----------------------|----------------------------------|-------------------------------------|---------------------------------|
| | | | | |
| | Utility | Water Supply District | Business-Type Activities | |
| Prior year ending net position balance | \$ 16,066,049 | \$ 5,378,548 | \$ 21,444,597 | |
| Unrecognized prior year note payable | (143,644) | - | (143,644) | |
| Capital contributions | 6,502,263 | - | 6,502,263 | |
| Remove Beeville Water Supply District from the City's Annual Comprehensive Financial Report | - | (5,378,548) | (5,378,548) | |
| Beginning net position balance - restated | \$ 22,424,668 | \$ - | \$ 22,424,668 | |

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,824 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at a group rate for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

The City is a member of the Texas Municipal League Workers' Compensation Intergovernmental Risk Pool (the "TML Pool"), which is not intended to operate as an insurance company, but rather a contracting mechanism by which the City provides self-insurance benefits to its employees. The TML Pool contracts with a third-party administrator for administration, investigation, and adjustment services in the handling

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

of claims. Premiums are based on the estimated City payroll by risk factor and rates. The premiums are adjusted by the City's experience modifier. All loss contingencies, including claims incurred but not reported, if any, are recorded and accounted for by the TML Pool.

B. Contingent Liabilities

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

C. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 909 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the "TMRS Act") as an agent multiple-employer retirement system for municipal 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 (the "Board"); however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at tmrs.com.

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

Benefits Provided

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

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

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

| | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| Employee deposit rate | 5.00% | 5.00% |
| Matching ratio (City to employee) | 2 to 1 | 2 to 1 |
| Years required for vesting | 5 | 5 |
| Service requirement eligibility (expressed as age/yrs of service) | 60/5, 0/25 | 60/5, 0/25 |
| Updated service credit | 0% | 0% |
| Annuity increase (to retirees) | 0% | 0% |

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 80 |
| Inactive employees entitled to, but not yet receiving, benefits | 78 |
| Active employees | <u>101</u> |
| Total | <u>259</u> |

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City-matching percentages 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rate for the City was 1.29% and 1.16% in calendar years 2022 and 2023. The City's contributions to TMRS for the fiscal year ended September 30, 2023 were \$61,599, which were equal to the required contributions.

Net Pension Liability/(Asset)

The City's Net Pension Liability/(Asset) (NPL/(A)) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the NPL/(A) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------|--|
| Inflation | 2.50% per year |
| Overall payroll growth | 2.75% per year, adjusted down for population declines, if any |
| Investment rate of return | 6.75%, net of pension plan investment expense, including inflation |

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for the annuity purchase rates 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 using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, TMRS' actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|---------------------------------|--------------------------|--|
| Global equity | 35.00% | 7.70% |
| Core fixed income | 6.00% | 4.90% |
| Non-core fixed income | 20.00% | 8.70% |
| Other public and private market | 12.00% | 8.10% |
| Real estate | 12.00% | 5.80% |
| Hedge funds | 5.00% | 6.90% |
| Private equity | 10.00% | 11.80% |
| Total | 100.00% | |

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Changes in the NPL/(A)

| | Increase (Decrease) | | |
|---|--------------------------------|---------------------------------------|---|
| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability/(Asset) (A) - (B) |
| Changes for the year: | | | |
| Service cost | \$ 406,743 | \$ - | \$ 406,743 |
| Interest | 802,488 | - | 802,488 |
| Changes in benefit terms | - | - | - |
| Difference between expected and actual experience | (135,480) | - | (135,480) |
| Changes in assumptions | - | - | - |
| Contributions - employer | - | 62,464 | (62,464) |
| Contributions - employee | - | 242,109 | (242,109) |
| Net investment income | - | (1,177,094) | 1,177,094 |
| Benefit payments, including refunds of employee contributions | (761,562) | (761,562) | - |
| Administrative expense | - | (10,215) | 10,215 |
| Other changes | - | 12,189 | (12,189) |
| Net Changes | 312,189 | (1,632,109) | 1,944,298 |
| Balance at December 31, 2021 | 12,066,119 | 16,171,106 | (4,104,987) |
| Balance at December 31, 2022 | \$ 12,378,308 | \$ 14,538,997 | \$ (2,160,689) |

Sensitivity of the NPL/(A) to Changes in the Discount Rate

The following presents the NPL/(A) of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL/(A) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

| | 1% Decrease in Discount Rate (5.75%) | Discount Rate (6.75%) | 1% Increase in Discount Rate (7.75%) |
|--------------------------------------|--|--------------------------|--|
| City's Net Pension Liability/(Asset) | \$ (610,524) | \$ (2,160,689) | \$ (3,444,582) |

Pension Plan Fiduciary Net Position

Detailed information about the TMRS fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by participating City. That report may be obtained at www.tmrs.com.

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

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$63,887.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

At September 30, 2023, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Difference between expected and actual economic experience | \$ 485 | \$ 142,256 |
| Changes in actuarial assumptions | - | - |
| Net difference between projected and actual investment earnings | 997,392 | - |
| Contributions subsequent to the measurement date | 46,020 | - |
| Total | \$ 1,043,897 | \$ 142,256 |

\$46,020 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase of the NPL/(A) for the fiscal year ending September 30, 2024.

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

| Year Ended September 30 | Pension Expense |
|------------------------------------|------------------------|
| 2024 | \$ (57,899) |
| 2025 | 190,486 |
| 2026 | 269,307 |
| 2027 | 453,727 |
| 2028 | - |
| Thereafter | - |
| Total | \$ 855,621 |

D. Deferred Compensation Plan

The City offers its employees a deferred compensation plan (the “Plan”) created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Plan’s trust arrangements are established to protect deferred compensation amounts of employees under the Plan from any other use than intended under the Plan (eventual payment to employees deferring the compensation) in accordance with federal tax laws. Amounts of compensation deferred by employees under Plan provisions are disbursed monthly by the City to a third-party administrator. The third-party administrator handles all funds in the Plan, makes investment decisions, and disburses funds to employees in accordance with Plan provisions.

E. Economic Incentive Agreements

In 2021, the Beeville Economic Improvement Corporation (BEIC) entered into an economic development performance agreement (the “Agreement”) with a company that agreed to make site improvements on existing property, construct a new facility for a commercial/retail store, invest approximately \$1,900,000 in the overall project, and create 15 full-time jobs. The BEIC agreed to provide \$200,000 in financial assistance. \$50,000 was paid upon the issuance of a letter of completion. Over a term of 10 years, the BEIC agreed to reimburse up to a maximum of \$150,000 in sales tax revenues derived from sales tax from the company’s tenant at the new facility. Reimbursements are made quarterly. The BEIC recognized expenditures of \$37,882 during the fiscal year related to this Agreement.

CITY OF BEEVILLE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

F. Subsequent Event

In January 2024, the Beeville Economic Improvement Corporation (BEIC) entered into an economic development performance agreement with a company that agreed to make site improvements and renovations of an existing building for a restaurant, invest approximately \$417,527 in the overall project, and create 55 full-time jobs. The BEIC agreed to provide \$200,000 in financial assistance. \$50,000 will be paid upon the issuance of a letter of completion. Over a term of 10 years, the BEIC agreed to reimburse up to a maximum of \$150,000 in sales tax revenues derived from sales tax from the company.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 1 of 2)
For the Year Ended September 30, 2023

| | Original Budget | Budget as Amended | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------|----------------------------|------------------------------|------------------|---|
| <u>Revenues</u> | | | | |
| Property taxes | \$ 2,432,490 | \$ 2,438,199 | \$ 2,597,289 | \$ 159,090 |
| Sales taxes | 2,790,500 | 2,790,500 | 2,895,147 | 104,647 |
| Charges for services | 2,997,410 | 2,997,410 | 2,824,219 | (173,191) |
| Franchise fees and local taxes | 615,000 | 615,000 | 597,758 | (17,242) |
| Fines and forfeitures | 168,000 | 168,000 | 152,894 | (15,106) |
| Licenses and permits | 151,280 | 151,280 | 179,757 | 28,477 |
| Investment income | 19,000 | 19,000 | 31,089 | 12,089 |
| Intergovernmental | 615,000 | 615,000 | 14,802 | (600,198) |
| Other | 47,300 | 47,300 | 89,728 | 42,428 |
| Total Revenues | 9,835,980 | 9,841,689 | 9,382,683 | (459,006) |
| <u>Expenditures</u> | | | | |
| General government: | | | | |
| Administration | 696,458 | 689,250 | 657,996 | 31,254 |
| Finance | 399,646 | 405,355 | 397,213 | 8,142 |
| Main Street | 146,007 | 146,007 | 128,837 | 17,170 |
| Information technology | 179,341 | 179,341 | 91,502 | 87,839 |
| City secretary | 210,568 | 210,568 | 181,715 | 28,853 |
| Airport | 52,230 | 52,230 | 35,811 | 16,419 |
| Developmental services | 399,938 | 404,646 | 430,208 | (25,562) |
| Non-departmental | 341,970 | 298,159 | 297,970 | 189 |
| Total general government | 2,426,158 | 2,385,556 | 2,221,252 | 164,304 |
| Public safety: | | | | |
| Fire | 323,351 | 323,351 | 277,852 | 45,499 |
| Police | 2,443,806 | 2,443,806 | 2,480,455 | (36,649) |
| Ambulance | 378,225 | 378,225 | 378,225 | - |
| Municipal court | 186,749 | 186,749 | 189,481 | (2,732) |
| Animal control | 258,825 | 258,825 | 235,870 | 22,955 |
| Total public safety | 3,590,956 | 3,590,956 | 3,561,883 | 29,073 |
| Public works: | | | | |
| Street maintenance | 1,204,117 | 1,197,617 | 1,181,468 | 16,149 |
| Garage | 397,911 | 404,411 | 391,893 | 12,518 |
| Sanitation | 2,274,224 | 2,274,224 | 2,527,677 | (253,453) |
| Total public works | 3,876,252 | 3,876,252 | 4,101,038 | (224,786) |
| Culture and recreation: | | | | |
| Parks | 628,905 | 630,526 | 634,697 | (4,171) |
| Swimming pool | 59,803 | 58,182 | 57,403 | 779 |
| Golf course | 293,249 | 295,749 | 285,571 | 10,178 |
| Total culture and recreation | 981,957 | 984,457 | 977,671 | 6,786 |

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 2 of 2)
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Budget as Amended</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|------------------------------|---------------------|---|
| Debt service: | | | | |
| Principal | \$ - | \$ - | \$ 62,264 | \$ (62,264) |
| Interest and fiscal charges | - | - | 1,784 | (1,784) |
| Total debt service | - | - | 64,048 | (64,048) |
| Capital outlay | 600,000 | 643,811 | 881,373 | (237,562) |
| Total Expenditures | <u>11,475,323</u> | <u>11,481,032</u> | <u>11,807,265</u> | <u>(326,233) *</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,639,343)</u> | <u>(1,639,343)</u> | <u>(2,424,582)</u> | <u>(785,239)</u> |
| <u>Other Financing Sources</u> | | | | |
| Leases | - | - | 690,215 | 690,215 |
| Subscriptions | - | - | 64,545 | 64,545 |
| Transfers in | 1,829,317 | 1,829,317 | 1,926,414 | 97,097 |
| Transfers (out) | (72,792) | (72,792) | (72,792) | - |
| Total Other Financing Sources | <u>1,756,525</u> | <u>1,756,525</u> | <u>2,608,382</u> | <u>851,857</u> |
| Net Change in Fund Balance | <u>\$ 117,182</u> | <u>\$ 117,182</u> | 183,800 | <u>\$ 66,618</u> |
| Beginning fund balance | | | 1,276,213 | |
| | | Ending Fund Balance | <u>\$ 1,460,013</u> | |

Notes to Required Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COVID Grant
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|----------------------------|----------------------------|-------------------------|---|
| <u>Revenues</u> | | | | |
| Intergovernmental | \$ - | \$ - | \$ 798,502 | \$ 798,502 |
| Investment income | 8,000 | 8,000 | 34,059 | 26,059 |
| Total Revenues | <u>8,000</u> | <u>8,000</u> | <u>832,561</u> | <u>824,561</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| General government | 27,833 | 27,833 | 31,028 | (3,195) |
| Capital outlay | <u>240,000</u> | <u>240,000</u> | <u>337,007</u> | <u>(97,007)</u> |
| Total Expenditures | <u>267,833</u> | <u>267,833</u> | <u>368,035</u> | <u>(100,202) *</u> |
| Excess (Deficit) of Revenues Over (Under) Expenditures | <u>(259,833)</u> | <u>(259,833)</u> | <u>464,526</u> | <u>724,359</u> |
| <u>Other Financing (Uses)</u> | | | | |
| Transfers (out) | <u>(451,262)</u> | <u>(451,262)</u> | <u>(430,467)</u> | <u>20,795</u> |
| Total Other Financing (Uses) | <u>(451,262)</u> | <u>(451,262)</u> | <u>(430,467)</u> | <u>20,795</u> |
| Net Change in Fund Balance | <u><u>\$ (711,095)</u></u> | <u><u>\$ (711,095)</u></u> | <u>34,059</u> | <u><u>\$ 745,154</u></u> |
| Beginning fund balance | | | <u>22,823</u> | |
| Ending Fund Balance | | | <u><u>\$ 56,882</u></u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2023

| | Measurement Year* | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2017 | 2018 | 2019 | 2020 |
| Total Pension Liability | | | | |
| Service cost | \$ 405,134 | \$ 360,003 | \$ 378,050 | \$ 383,174 |
| Interest (on the total pension liability) | 687,876 | 708,647 | 727,501 | 751,459 |
| Changes in benefit terms | - | - | - | - |
| Difference between expected and actual experience | (114,420) | (112,452) | (106,262) | 6,557 |
| Changes in assumptions | - | - | (5,392) | - |
| Benefit payments, including refunds of employee contributions | (569,909) | (726,701) | (645,105) | (637,964) |
| Net Change in Total Pension Liability | 408,681 | 229,497 | 348,792 | 503,226 |
| Beginning total pension liability | 10,273,144 | 10,681,825 | 10,911,322 | 11,260,114 |
| Ending Total Pension Liability | \$ 10,681,825 | \$ 10,911,322 | \$ 11,260,114 | \$ 11,763,340 |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer | \$ 49,164 | \$ 39,538 | \$ 36,360 | \$ 19,592 |
| Contributions - employee | 236,368 | 208,094 | 219,033 | 227,808 |
| Net investment income | 1,668,282 | (401,596) | 1,934,429 | 1,065,747 |
| Benefit payments, including refunds of employee contributions | (569,909) | (726,701) | (645,105) | (637,964) |
| Administrative expense | (8,652) | (7,769) | (10,947) | (6,908) |
| Other | (439) | (406) | (330) | (269) |
| Net Change in Plan Fiduciary Net Position | 1,374,814 | (888,840) | 1,533,440 | 668,006 |
| Beginning plan fiduciary net position | 12,045,668 | 13,420,482 | 12,531,642 | 14,065,082 |
| Ending Plan Fiduciary Net Position | \$ 13,420,482 | \$ 12,531,642 | \$ 14,065,082 | \$ 14,733,088 |
| Net Pension Liability/(Asset) | \$ (2,738,657) | \$ (1,620,320) | \$ (2,804,968) | \$ (2,969,748) |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 125.64% | 114.85% | 124.91% | 125.25% |
| Covered Payroll | \$ 4,727,355 | \$ 4,161,885 | \$ 4,380,650 | \$ 4,556,169 |
| Net Pension Liability/(Asset) as a Percentage of Covered Payroll | -57.93% | -38.93% | -64.03% | -65.18% |

*Only six years of information is currently available. The City will build this schedule over the next four-year period.

| Measurement Year* | | | |
|-------------------|-------------|------|-------------|
| 2021 | | 2022 | |
| \$ | 426,940 | \$ | 406,743 |
| | 782,396 | | 802,488 |
| | - | | - |
| | (135,034) | | (135,480) |
| | - | | - |
| | (771,523) | | (761,562) |
| | 302,779 | | 312,189 |
| | 11,763,340 | | 12,066,119 |
| \$ | 12,066,119 | \$ | 12,378,308 |
| | | | |
| \$ | 47,324 | \$ | 62,464 |
| | 254,434 | | 242,109 |
| | 1,916,609 | | (1,177,094) |
| | (771,523) | | (761,562) |
| | (8,887) | | (10,215) |
| | 61 | | 12,189 |
| | 1,438,018 | | (1,632,109) |
| | 14,733,088 | | 16,171,106 |
| \$ | 16,171,106 | \$ | 14,538,997 |
| \$ | (4,104,987) | \$ | (2,160,689) |
| | | | |
| | 134.02% | | 117.46% |
| \$ | 5,088,672 | \$ | 4,842,174 |
| | -80.67% | | -44.62% |

CITY OF BEEVILLE, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2023

| | Fiscal Year* | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Actuarially determined contribution | \$ 49,164 | \$ 36,360 | \$ 19,592 | \$ 47,324 | \$ 62,302 | \$ 61,599 |
| Contributions in relation to the actuarially determined contribution | 49,164 | 36,360 | 19,592 | 47,324 | 62,302 | 61,599 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 4,727,355 | \$ 4,161,885 | \$ 4,380,650 | \$ 4,556,169 | \$ 5,292,279 | \$ 5,174,948 |
| Contributions as a percentage of covered payroll | 1.04% | 0.87% | 0.45% | 1.04% | 1.18% | 1.19% |

*Only six years of information is currently available. The City will build this schedule over the next four-year period.

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | N/A |
| Asset valuation method | 10 year smoothed market; 12% soft corridor |
| Inflation | 2.50% |
| Salary increases | 3.50% to 11.50% including inflation |
| Investment rate of return | 6.75% |
| Retirement age | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018. |
| Mortality | Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP. |

3. Other Information:

There were no benefit changes during the year.

COMBINING STATEMENTS AND SCHEDULES

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2023

| | Original Budget | Budget as Amended | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|----------------------|-------------------|---|
| <u>Revenues</u> | | | | |
| Property taxes | \$ 1,102,231 | \$ 1,102,231 | \$ 867,189 | \$ (235,042) |
| Interest on investments | 9,000 | 9,000 | 7,192 | (1,808) |
| Total Revenues | <u>1,111,231</u> | <u>1,111,231</u> | <u>874,381</u> | <u>(236,850)</u> |
| <u>Expenditures</u> | | | | |
| Debt Service: | | | | |
| Principal | 1,165,006 | 1,165,006 | 282,655 | 882,351 |
| Interest and fiscal charges | 555,692 | 555,692 | 95,392 | 460,300 |
| Total Expenditures | <u>1,720,698</u> | <u>1,720,698</u> | <u>378,047</u> | <u>1,342,651</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(609,467)</u> | <u>(609,467)</u> | <u>496,334</u> | <u>1,105,801</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Bond proceeds | - | - | 4,133 | 4,133 |
| Transfers in | 725,854 | 725,854 | 72,792 | (653,062) |
| Transfers (out) | - | - | (688,958) | (688,958) |
| Total Other Financing Sources (Uses) | <u>725,854</u> | <u>725,854</u> | <u>(612,033)</u> | <u>(1,337,887)</u> |
| Net Change in Fund Balance | <u>\$ 116,387</u> | <u>\$ 116,387</u> | <u>(115,699)</u> | <u>\$ (232,086)</u> |
| Beginning fund balance | | | <u>472,733</u> | |
| Ending Fund Balance | | | <u>\$ 357,034</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Beeville Economic Improvement Corporation

Funded by 0.0375% of City's sales tax collection, primarily used to focus on job creation, façade improvements, and quality of life.

Animal Control Donation

Revenue generated is purely by donations and is used for the animal shelter needs.

CDBG MIT

Funded by State and/or Federal grants, primarily provides a way of keeping track of grant expenditures.

CDBG Grant

Funded by State and/or Federal grants, primarily provides a way of keeping track of grant expenditures.

Energy Savings Project

Funded by a loan, expenditures adhere to Local Government Code Ch. 302 Energy Savings Performance Contracts for Local Governments.

Fire Equipment

Revenue is generated from a \$1.00 fee imposed on all utility billing customers, primarily used for equipment and machinery.

Golf Course Improvement

Revenue is generated from a fee imposed on all golf course customers, primarily used for golf course improvements.

Hotel/Motel Occupancy Tax

Funded through the collection of local hotel tax collected per quarter, the expenditures of the funds are dictated by State guidelines.

Local Truancy

Revenue is generated from citations and the State dictates what the funds can be used for (LGC Sec. 134.156).

Main Street

Primarily funded by the sale of vendor spaces for City events held in the Main Street area.

Municipal Court Building Security

Revenue is generated from citations and the State dictates what the funds can be used for; mainly for municipal building security purposes (Code of Criminal Procedure, Art.102.017).

Municipal Court Technology

Revenue is generated from citations and the State dictates what the funds can be used for; mainly for municipal technology purposes (Code of Criminal Procedure, Art. 012-0172).

Municipal Jury

Revenue is generated from citations and the State dictates what the funds can be used for (LGC, Sec.134.154).

CITY OF BEEVILLE, TEXAS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Park Improvement

Revenue is generated from a \$1.00 fee imposed on all utility billing customers, primarily used for equipment and machinery.

PEG Fee

Funded by a percentage of cable franchise fees every quarter, the State mandates how the funds can be utilized.

Police Enforcement

Revenue is generated from forfeitures and donations, primarily used on police operating functions.

Police LEOSE

Funded by State grants to be primarily used on police training and travel as approved by State regulations.

Police Opioid Funds

Funded by opioid settlement agreement, State mandates how funds can be utilized.

Street Maintenance

Funded by 0.0125% of the City's sales tax collection, primarily provides for the annual seal coating program.

TPWD Grant

Funded by State grants, primarily used for improvements to City parks.

CAPITAL PROJECTS FUNDS

Construction

Funded by the surplus sales of old equipment/machinery and used to purchase updated equipment/machinery.

2020 Certificates of Obligation (CO)

Funded by a bond issued in January 2020, the funds are to be used on improvements with City facilities and to purchase new heavy machinery equipment.

Non-Specific Capital

Funded by the City's portion of the tax increment finance zone funds, primarily used for ongoing City projects.

CITY OF BEEVILLE, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 3)
September 30, 2023

| | Special Revenue | | | |
|---|--|-------------------------------|------------------|-------------------|
| | Beeville Economic Improvement Corporation | Animal Control Donation | GDBG MIT | CDBG Grant |
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 777,025 | \$ 6,360 | \$ 38,021 | \$ 59,767 |
| Investments | 677,337 | - | - | - |
| Due from other governments | - | - | - | 65,814 |
| Receivables, net | 189,360 | - | - | - |
| Total Assets | \$ 1,643,722 | \$ 6,360 | \$ 38,021 | \$ 125,581 |
| <u>Liabilities</u> | | | | |
| Accounts payable and accrued liabilities | \$ 268 | \$ - | \$ - | \$ 141,428 |
| Unearned revenue | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total Liabilities | 268 | - | - | 141,428 |
| <u>Fund Balances</u> | | | | |
| Restricted: | | | | |
| Construction | - | - | - | - |
| Culture | - | - | - | - |
| Debt service | 56,611 | - | - | - |
| Economic development | 1,586,843 | - | - | - |
| General administration | - | - | - | - |
| Grants | - | - | 38,021 | - |
| Hotel/Motel | - | - | - | - |
| Public safety | - | 6,360 | - | - |
| Committed | - | - | - | - |
| Unassigned | - | - | - | (15,847) |
| Total Fund Balances | 1,643,454 | 6,360 | 38,021 | (15,847) |
| Total Liabilities and Fund Balances | \$ 1,643,722 | \$ 6,360 | \$ 38,021 | \$ 125,581 |

See Notes to Financial Statements.

Special Revenue

| Energy Savings Project | Fire Equipment | Golf Course Improvement | Hotel/Motel Occupancy Tax | Local Truancy | Main Street |
|---------------------------------------|---------------------------|--|--|--------------------------|------------------------|
| \$ - | \$ 234,603 | \$ 8,324 | \$ 637,424 | \$ 9,782 | \$ 5,431 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 7,289 | - | 160,312 | - | - |
| <u>\$ -</u> | <u>\$ 241,892</u> | <u>\$ 8,324</u> | <u>\$ 797,736</u> | <u>\$ 9,782</u> | <u>\$ 5,431</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 756 |
| - | - | - | 154,048 | - | - |
| - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>154,048</u> | <u>-</u> | <u>756</u> |
| - | - | - | - | - | - |
| - | - | 8,324 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 4,675 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 643,688 | - | - |
| - | 241,892 | - | - | 9,782 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>-</u> | <u>241,892</u> | <u>8,324</u> | <u>643,688</u> | <u>9,782</u> | <u>4,675</u> |
| <u>\$ -</u> | <u>\$ 241,892</u> | <u>\$ 8,324</u> | <u>\$ 797,736</u> | <u>\$ 9,782</u> | <u>\$ 5,431</u> |

CITY OF BEEVILLE, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 3)
September 30, 2023

| Special Revenue | | | | |
|---|--|----------------------------------|-------------------|---------------------|
| | Municipal Court Building Security | Municipal Court Technology | Municipal Jury | Park Improvement |
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 19,121 | \$ 6,565 | \$ 190 | \$ 258,192 |
| Investments | - | - | - | - |
| Due from other governments | - | - | - | - |
| Receivables, net | - | - | - | 6,838 |
| Total Assets | \$ 19,121 | \$ 6,565 | \$ 190 | \$ 265,030 |
| <u>Liabilities</u> | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ 169 | \$ - | \$ - |
| Unearned revenue | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total Liabilities | - | 169 | - | - |
| <u>Fund Balances</u> | | | | |
| Restricted: | | | | |
| Construction | - | - | - | - |
| Culture | - | - | - | 265,030 |
| Debt service | - | - | - | - |
| Economic development | - | - | - | - |
| General administration | - | - | - | - |
| Grants | - | - | - | - |
| Hotel/Motel | - | - | - | - |
| Public safety | 19,121 | 6,396 | 190 | - |
| Committed | - | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balances | 19,121 | 6,396 | 190 | 265,030 |
| Total Liabilities and Fund Balances | \$ 19,121 | \$ 6,565 | \$ 190 | \$ 265,030 |

See Notes to Financial Statements.

Special Revenue

| PEG Fee | Police Enforcement | Police LEOSE | Police Opioid Funds | Street Maintenance | TPWD Grant |
|--------------------|-------------------------------|-------------------------|--------------------------------|-------------------------------|-----------------------|
| \$ 264,792 | \$ 15,886 | \$ 2,205 | \$ 7,596 | \$ 503,042 | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | 75,000 |
| 6,744 | - | - | - | 63,120 | - |
| <u>\$ 271,536</u> | <u>\$ 15,886</u> | <u>\$ 2,205</u> | <u>\$ 7,596</u> | <u>\$ 566,162</u> | <u>\$ 75,000</u> |
| | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ 1,328 | \$ 6,208 |
| - | - | - | - | - | - |
| - | - | - | - | - | 68,806 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,328</u> | <u>75,014</u> |
| | | | | | |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 271,536 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 15,886 | 2,205 | 7,596 | - | - |
| - | - | - | - | 564,834 | - |
| - | - | - | - | - | (14) |
| <u>271,536</u> | <u>15,886</u> | <u>2,205</u> | <u>7,596</u> | <u>564,834</u> | <u>(14)</u> |
| <u>\$ 271,536</u> | <u>\$ 15,886</u> | <u>\$ 2,205</u> | <u>\$ 7,596</u> | <u>\$ 566,162</u> | <u>\$ 75,000</u> |

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CITY OF BEEVILLE, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Page 3 of 3)
September 30, 2023

| | Capital Projects | | | Total Nonmajor Governmental Funds |
|---|----------------------|--|------------------------------|--|
| | Construction Fund | 2020 Certificates of Obligation Equipment | Non - Specific Capital | |
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 50,997 | \$ 138,292 | \$ 1,399 | \$ 3,045,014 |
| Investments | - | - | - | 677,337 |
| Due from other governments | - | - | - | 140,814 |
| Receivables, net | - | - | - | 433,663 |
| Total Assets | \$ 50,997 | \$ 138,292 | \$ 1,399 | \$ 4,296,828 |
| <u>Liabilities</u> | | | | |
| Accounts payable and accrued liabilities | \$ 8,313 | \$ 5,510 | \$ 1,485 | \$ 165,465 |
| Unearned revenue | - | - | - | 154,048 |
| Due to other funds | - | - | - | 68,806 |
| Total Liabilities | 8,313 | 5,510 | 1,485 | 388,319 |
| <u>Fund Balances</u> | | | | |
| Restricted: | | | | |
| Construction | 42,684 | 132,782 | - | 175,466 |
| Culture | - | - | - | 273,354 |
| Debt service | - | - | - | 56,611 |
| Economic development | - | - | - | 1,591,518 |
| General administration | - | - | - | 271,536 |
| Grants | - | - | - | 38,021 |
| Hotel/Motel | - | - | - | 643,688 |
| Public safety | - | - | - | 309,428 |
| Committed | - | - | - | 564,834 |
| Unassigned | - | - | (86) | (15,947) |
| Total Fund Balances | 42,684 | 132,782 | (86) | 3,908,509 |
| Total Liabilities and Fund Balances | \$ 50,997 | \$ 138,292 | \$ 1,399 | \$ 4,296,828 |

See Notes to Financial Statements.

CITY OF BEEVILLE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 3)
For the Year Ended September 30, 2023

| | Special Revenue | | | |
|--|--|-------------------------------|------------------|--------------------|
| | Beeville Economic Improvement Corporation | Animal Control Donation | CDBG MIT | CDBG Grant |
| Revenues | | | | |
| Sales taxes | \$ 1,085,434 | \$ - | \$ - | \$ - |
| Franchise fees and local taxes | - | - | - | - |
| Occupancy taxes | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Charges for services | - | - | - | - |
| Intergovernmental | - | - | 68,894 | 294,220 |
| Investment income | 23,080 | 116 | 21 | - |
| Other | 20,000 | 3,526 | - | - |
| Total Revenues | 1,128,514 | 3,642 | 68,915 | 294,220 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 493,387 | - | - | - |
| Public safety | - | 9,673 | - | - |
| Public works | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Debt service: | | | | |
| Principal | 391,000 | - | - | - |
| Interest and fiscal charges | 38,741 | - | - | - |
| Capital outlay | 63,219 | - | 68,894 | 389,831 |
| Total Expenditures | 986,347 | 9,673 | 68,894 | 389,831 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 142,167 | (6,031) | 21 | (95,611) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | - | 38,000 | 79,764 |
| Transfers (out) | (323,549) | - | - | - |
| Total Other Financing Sources (Uses) | (323,549) | - | 38,000 | 79,764 |
| Net Change in Fund Balances | (181,382) | (6,031) | 38,021 | (15,847) |
| Beginning fund balances | 1,824,836 | 12,391 | - | - |
| Ending Fund Balances | \$ 1,643,454 | \$ 6,360 | \$ 38,021 | \$ (15,847) |

See Notes to Financial Statements.

Special Revenue

| Energy Savings Project | Fire Equipment | Golf Course Improvement | Hotel/Motel Occupancy Tax | Local Truancy | Main Street |
|---------------------------------------|---------------------------|--|--|--------------------------|------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | 284,258 | - | - |
| - | - | - | - | 3,880 | - |
| - | 51,377 | 8,324 | - | - | - |
| - | 229,357 | - | - | - | - |
| - | 3,196 | - | 9,086 | 118 | 71 |
| - | - | - | 144 | - | 15,925 |
| - | 283,930 | 8,324 | 293,488 | 3,998 | 15,996 |
| - | - | - | 166,965 | - | 16,599 |
| - | 21,074 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 264,600 | - | - | - | - |
| - | 285,674 | - | 166,965 | - | 16,599 |
| - | (1,744) | 8,324 | 126,523 | 3,998 | (603) |
| 17,005 | - | - | - | - | - |
| - | - | - | (71,000) | - | - |
| 17,005 | - | - | (71,000) | - | - |
| 17,005 | (1,744) | 8,324 | 55,523 | 3,998 | (603) |
| (17,005) | 243,636 | - | 588,165 | 5,784 | 5,278 |
| \$ - | \$ 241,892 | \$ 8,324 | \$ 643,688 | \$ 9,782 | \$ 4,675 |

CITY OF BEEVILLE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 3)
For the Year Ended September 30, 2023

| | Special Revenue | | | |
|--|--|----------------------------------|-------------------|---------------------|
| | Municipal Court Building Security | Municipal Court Technology | Municipal Jury | Park Improvement |
| Revenues | | | | |
| Sales taxes | \$ - | \$ - | \$ - | \$ - |
| Franchise fees and local taxes | - | - | - | - |
| Occupancy taxes | - | - | - | - |
| Fines and forfeitures | 4,016 | 3,336 | 77 | - |
| Charges for services | - | - | - | 51,931 |
| Intergovernmental | - | - | - | - |
| Investment income | 297 | 107 | 2 | 5,310 |
| Other | - | - | - | 1,000 |
| Total Revenues | 4,313 | 3,443 | 79 | 58,241 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | 878 | 3,212 | - | - |
| Public works | - | - | - | - |
| Culture and recreation | - | - | - | 4,295 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Capital outlay | - | - | - | 129,173 |
| Total Expenditures | 878 | 3,212 | - | 133,468 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 3,435 | 231 | 79 | (75,227) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers (out) | (2,000) | - | - | (23,208) |
| Total Other Financing Sources (Uses) | (2,000) | - | - | (23,208) |
| Net Change in Fund Balances | 1,435 | 231 | 79 | (98,435) |
| Beginning fund balances | 17,686 | 6,165 | 111 | 363,465 |
| Ending Fund Balances | \$ 19,121 | \$ 6,396 | \$ 190 | \$ 265,030 |

See Notes to Financial Statements.

Special Revenue

| PEG Fee | Police Enforcement | Police LEOSE | Police Opioid Funds | Street Maintenance | TPWD Grant |
|--------------------|-------------------------------|-------------------------|--------------------------------|-------------------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 361,810 | \$ - |
| 18,106 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 1,871 | 7,543 | - | 75,000 |
| 9,007 | - | 19 | 53 | 7,884 | - |
| - | 25,779 | - | - | - | - |
| 27,113 | 25,779 | 1,890 | 7,596 | 369,694 | 75,000 |
| - | - | - | - | - | - |
| - | 55,110 | - | - | - | - |
| - | - | - | - | 41,957 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 412,035 | 173,222 |
| - | 55,110 | - | - | 453,992 | 173,222 |
| 27,113 | (29,331) | 1,890 | 7,596 | (84,298) | (98,222) |
| - | - | - | - | - | 98,208 |
| - | - | - | - | (60,000) | - |
| - | - | - | - | (60,000) | 98,208 |
| 27,113 | (29,331) | 1,890 | 7,596 | (144,298) | (14) |
| 244,423 | 45,217 | 315 | - | 709,132 | - |
| \$ 271,536 | \$ 15,886 | \$ 2,205 | \$ 7,596 | \$ 564,834 | \$ (14) |

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CITY OF BEEVILLE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Page 3 of 3)
For the Year Ended September 30, 2023

| | Capital Projects | | | Total Nonmajor Governmental Funds |
|--|------------------------------|--|---------------------------------------|--|
| | Construction Fund | 2020 Certificates of Obligation Equipment | Non - Specific Capital | |
| Revenues | | | | |
| Sales taxes | \$ - | \$ - | \$ - | \$ 1,447,244 |
| Franchise fees and local taxes | - | - | - | 18,106 |
| Occupancy taxes | - | - | - | 284,258 |
| Fines and forfeitures | - | - | - | 11,309 |
| Charges for services | - | - | - | 111,632 |
| Intergovernmental | - | - | - | 676,885 |
| Investment income | 352 | 2,185 | 2 | 60,906 |
| Other | 18,549 | - | 900 | 85,823 |
| Total Revenues | 18,901 | 2,185 | 902 | 2,696,163 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | 676,951 |
| Public safety | - | - | - | 89,947 |
| Public works | - | - | - | 41,957 |
| Culture and recreation | - | - | - | 4,295 |
| Debt service: | | | | |
| Principal | - | - | - | 391,000 |
| Interest and fiscal charges | - | - | - | 38,741 |
| Capital outlay | 171,970 | 17,855 | 10,485 | 1,701,284 |
| Total Expenditures | 171,970 | 17,855 | 10,485 | 2,944,175 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (153,069) | (15,670) | (9,583) | (248,012) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 27,500 | - | 9,500 | 269,977 |
| Transfers (out) | - | - | (312) | (480,069) |
| Total Other Financing Sources (Uses) | - | - | 9,188 | (210,092) |
| Net Change in Fund Balances | (125,569) | (15,670) | (395) | (458,104) |
| Beginning fund balances | 168,253 | 148,452 | 309 | 4,366,613 |
| Ending Fund Balances | \$ 42,684 | \$ 132,782 | \$ (86) | \$ 3,908,509 |

See Notes to Financial Statements.

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Beeville Economic Improvement Corporation
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|---------------------|---|
| <u>Revenues</u> | | | | |
| Sales taxes | \$ 1,044,000 | \$ 1,044,000 | \$ 1,085,434 | \$ 41,434 |
| Investment income | 24,250 | 24,250 | 23,080 | (1,170) |
| Other | - | - | 20,000 | 20,000 |
| Total Revenues | <u>1,068,250</u> | <u>1,068,250</u> | <u>1,128,514</u> | <u>60,264</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| General government | 470,100 | 403,092 | 493,387 | (90,295) |
| Debt service: | | | | |
| Principal | 391,000 | 391,000 | 391,000 | - |
| Interest and fiscal charges | 51,937 | 51,937 | 38,741 | 13,196 |
| Capital outlay | <u>170,000</u> | <u>102,993</u> | <u>63,219</u> | <u>39,774</u> |
| Total Expenditures | <u>1,083,037</u> | <u>949,022</u> | <u>986,347</u> | <u>(37,325) *</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(14,787)</u> | <u>119,228</u> | <u>142,167</u> | <u>22,939</u> |
| <u>Other Financing (Uses)</u> | | | | |
| Transfers (out) | <u>(189,534)</u> | <u>(323,549)</u> | <u>(323,549)</u> | <u>-</u> |
| Total Other Financing (Uses) | <u>(189,534)</u> | <u>(323,549)</u> | <u>(323,549)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (204,321)</u> | <u>\$ (204,321)</u> | <u>(181,382)</u> | <u>\$ 22,939</u> |
| Beginning fund balance | | | <u>1,824,836</u> | |
| Ending Fund Balance | | | <u>\$ 1,643,454</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Animal Control Donation
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------|----------------------------|-------------------------|-----------------|---|
| <u>Revenues</u> | | | | |
| Investment income | \$ 200 | \$ 200 | \$ 116 | \$ (84) |
| Other | 2,500 | 2,500 | 3,526 | 1,026 |
| Total Revenues | <u>2,700</u> | <u>2,700</u> | <u>3,642</u> | <u>942</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Public safety | 12,150 | 12,150 | 9,673 | 2,477 |
| Total Expenditures | <u>12,150</u> | <u>12,150</u> | <u>9,673</u> | <u>2,477</u> |
| Net Change in Fund Balance | <u>\$ (9,450)</u> | <u>\$ (9,450)</u> | (6,031) | <u>\$ 3,419</u> |
| Beginning fund balance | | | <u>12,391</u> | |
| Ending Fund Balance | | | <u>\$ 6,360</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CDBG MIT
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|------------------|---|
| <u>Revenues</u> | | | | |
| Intergovernmental | \$ 3,456,490 | \$ 3,456,490 | \$ 68,894 | \$ (3,387,596) |
| Investment income | - | - | 21 | 21 |
| Total Revenues | <u>3,456,490</u> | <u>3,456,490</u> | <u>68,915</u> | <u>(3,387,575)</u> |
| <u>Expenditures</u> | | | | |
| Capital outlay | 3,494,490 | 3,494,490 | 68,894 | 3,425,596 |
| Total Expenditures | <u>3,494,490</u> | <u>3,494,490</u> | <u>68,894</u> | <u>3,425,596</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(38,000)</u> | <u>(38,000)</u> | <u>21</u> | <u>38,021</u> |
| <u>Other Financing Sources</u> | | | | |
| Transfers in | 38,000 | 38,000 | 38,000 | - |
| Total Other Financing Sources | <u>38,000</u> | <u>38,000</u> | <u>38,000</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>38,021</u> | <u>\$ 38,021</u> |
| Beginning fund balance | | | <u>-</u> | |
| Ending Fund Balance | | | <u>\$ 38,021</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CDBG Grant
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|--------------------|---|
| <u>Revenues</u> | | | | |
| Intergovernmental | \$ 250,000 | \$ 250,000 | \$ 294,220 | \$ 44,220 |
| Total Revenues | <u>250,000</u> | <u>250,000</u> | <u>294,220</u> | <u>44,220</u> |
| <u>Expenditures</u> | | | | |
| Capital outlay | 250,000 | 250,000 | 389,831 | (139,831) |
| Total Expenditures | <u>250,000</u> | <u>250,000</u> | <u>389,831</u> | <u>(139,831) *</u> |
| (Deficiency) of Revenues (Under) Expenditures | <u>-</u> | <u>-</u> | <u>(95,611)</u> | <u>(95,611)</u> |
| <u>Other Financing Sources</u> | | | | |
| Transfers in | - | - | 79,764 | 79,764 |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>79,764</u> | <u>79,764</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>(15,847)</u> | <u>\$ (15,847)</u> |
| Beginning fund balance | | | <u>-</u> | |
| Ending Fund Balance | | | <u>\$ (15,847)</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Fire Equipment
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------|----------------------------|-------------------------|-------------------|---|
| <u>Revenues</u> | | | | |
| Charges for services | \$ 51,000 | \$ 51,000 | \$ 51,377 | \$ 377 |
| Intergovernmental | - | - | 229,357 | 229,357 |
| Investment income | 3,500 | 3,500 | 3,196 | (304) |
| Total Revenues | <u>54,500</u> | <u>54,500</u> | <u>283,930</u> | <u>229,430</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Public safety | 130,000 | 85,400 | 21,074 | 64,326 |
| Capital outlay | <u>-</u> | <u>44,600</u> | <u>264,600</u> | <u>(220,000)</u> |
| Total Expenditures | <u>130,000</u> | <u>130,000</u> | <u>285,674</u> | <u>(155,674) *</u> |
| Net Change in Fund Balance | <u>\$ (75,500)</u> | <u>\$ (75,500)</u> | <u>(1,744)</u> | <u>\$ 73,756</u> |
| Beginning fund balance | | | <u>243,636</u> | |
| Ending Fund Balance | | | <u>\$ 241,892</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Golf Course Improvement
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|----------------------------|-------------------------|---------------------|---|
| <u>Revenues</u> | | | | |
| Charges for service | \$ 5,500 | \$ 5,500 | \$ 8,324 | \$ 2,824 |
| Total Revenues | <u>5,500</u> | <u>5,500</u> | <u>8,324</u> | <u>2,824</u> |
| Net Change in Fund Balance | <u>\$ 5,500</u> | <u>\$ 5,500</u> | 8,324 | <u>\$ 2,824</u> |
| Beginning fund balance | | | <u>-</u> | |
| Ending Fund Balance | | | <u>\$ 8,324</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Hotel/Motel Occupancy Tax
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|-------------------|---|
| <u>Revenues</u> | | | | |
| Occupancy taxes | \$ 290,000 | \$ 290,000 | \$ 284,258 | \$ (5,742) |
| Investment income | 9,500 | 9,500 | 9,086 | (414) |
| Other | - | - | 144 | 144 |
| Total Revenues | <u>299,500</u> | <u>299,500</u> | <u>293,488</u> | <u>(6,012)</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| General government | 272,800 | 272,800 | 166,965 | 105,835 |
| Capital outlay | <u>90,000</u> | <u>90,000</u> | <u>-</u> | <u>90,000</u> |
| Total Expenditures | <u>362,800</u> | <u>362,800</u> | <u>166,965</u> | <u>195,835</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(63,300)</u> | <u>(63,300)</u> | <u>126,523</u> | <u>189,823</u> |
| <u>Other Financing (Uses)</u> | | | | |
| Transfers (out) | <u>(71,000)</u> | <u>(71,000)</u> | <u>(71,000)</u> | <u>-</u> |
| Total Other Financing (Uses) | <u>(71,000)</u> | <u>(71,000)</u> | <u>(71,000)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (134,300)</u> | <u>\$ (134,300)</u> | <u>55,523</u> | <u>\$ 189,823</u> |
| Beginning fund balance | | | <u>588,165</u> | |
| Ending Fund Balance | | | <u>\$ 643,688</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Local Truancy
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|----------------------------|-------------------------|------------------------|---|
| <u>Revenues</u> | | | | |
| Fines and forfeitures | \$ 2,000 | \$ 2,000 | \$ 3,880 | \$ 1,880 |
| Investment income | 60 | 60 | 118 | 58 |
| Total Revenues | <u>2,060</u> | <u>2,060</u> | <u>3,998</u> | <u>1,938</u> |
| Net Change in Fund Balance | <u>\$ 2,060</u> | <u>\$ 2,060</u> | 3,998 | <u>\$ 1,938</u> |
| Beginning fund balance | | | <u>5,784</u> | |
| Ending Fund Balance | | | <u><u>\$ 9,782</u></u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Main Street
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------|----------------------------|-------------------------|-----------------|---|
| <u>Revenues</u> | | | | |
| Investment income | \$ 100 | \$ 100 | \$ 71 | \$ (29) |
| Other | 7,000 | 7,000 | 15,925 | 8,925 |
| Total Revenues | <u>7,100</u> | <u>7,100</u> | <u>15,996</u> | <u>8,896</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| General government | 6,400 | 6,400 | 16,599 | (10,199) |
| Total Expenditures | <u>6,400</u> | <u>6,400</u> | <u>16,599</u> | <u>(10,199) *</u> |
| Net Change in Fund Balance | <u>\$ 700</u> | <u>\$ 700</u> | <u>(603)</u> | <u>\$ (1,303)</u> |
| Beginning fund balance | | | <u>5,278</u> | |
| Ending Fund Balance | | | <u>\$ 4,675</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Municipal Court Building Security
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|------------------|---|
| <u>Revenues</u> | | | | |
| Fines and forfeitures | \$ 2,600 | \$ 2,600 | \$ 4,016 | \$ 1,416 |
| Investment income | 300 | 300 | 297 | (3) |
| Total Revenues | <u>2,900</u> | <u>2,900</u> | <u>4,313</u> | <u>1,413</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Public safety | <u>6,310</u> | <u>6,310</u> | <u>878</u> | <u>5,432</u> |
| Total Expenditures | <u>6,310</u> | <u>6,310</u> | <u>878</u> | <u>5,432</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(3,410)</u> | <u>(3,410)</u> | <u>3,435</u> | <u>6,845</u> |
| <u>Other Financing (Uses)</u> | | | | |
| Transfers (out) | <u>(2,000)</u> | <u>(2,000)</u> | <u>(2,000)</u> | <u>-</u> |
| Total Other Financing (Uses) | <u>(2,000)</u> | <u>(2,000)</u> | <u>(2,000)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (5,410)</u> | <u>\$ (5,410)</u> | <u>1,435</u> | <u>\$ 6,845</u> |
| Beginning fund balance | | | <u>17,686</u> | |
| Ending Fund Balance | | | <u>\$ 19,121</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Municipal Court Technology
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------|----------------------------|-------------------------|-----------------|---|
| <u>Revenues</u> | | | | |
| Fines and forfeitures | \$ 2,200 | \$ 2,200 | \$ 3,336 | \$ 1,136 |
| Investment income | 90 | 90 | 107 | 17 |
| Total Revenues | <u>2,290</u> | <u>2,290</u> | <u>3,443</u> | <u>1,153</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Public safety | <u>5,180</u> | <u>5,180</u> | <u>3,212</u> | <u>1,968</u> |
| Total Expenditures | <u>5,180</u> | <u>5,180</u> | <u>3,212</u> | <u>1,968</u> |
| Net Change in Fund Balance | <u>\$ (2,890)</u> | <u>\$ (2,890)</u> | 231 | <u>\$ 3,121</u> |
| Beginning fund balance | | | <u>6,165</u> | |
| Ending Fund Balance | | | <u>\$ 6,396</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Municipal Court Jury
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|----------------------------|----------------------------|----------------|---|
| <u>Revenues</u> | | | | |
| Fines and forfeitures | \$ 40 | \$ 40 | \$ 77 | \$ 37 |
| Investment income | 1 | 1 | 2 | 1 |
| Total Revenues | <u>41</u> | <u>41</u> | <u>79</u> | <u>38</u> |
| Net Change in Fund Balance | <u>\$ 41</u> | <u>\$ 41</u> | 79 | <u>\$ 38</u> |
| Beginning fund balance | | | <u>111</u> | |
| | | Ending Fund Balance | <u>\$ 190</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Park Improvement
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|-------------------|---|
| <u>Revenues</u> | | | | |
| Charges for services | \$ 51,000 | \$ 51,000 | \$ 51,931 | \$ 931 |
| Investment income | 6,000 | 6,000 | 5,310 | (690) |
| Other | - | - | 1,000 | 1,000 |
| Total Revenues | <u>57,000</u> | <u>57,000</u> | <u>58,241</u> | <u>1,241</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Culture and recreation | 7,000 | 4,618 | 4,295 | 323 |
| Capital outlay | <u>150,000</u> | <u>129,174</u> | <u>129,173</u> | <u>1</u> |
| Total Expenditures | <u>157,000</u> | <u>133,792</u> | <u>133,468</u> | <u>324</u> |
| (Deficiency) of Revenues (Under) Expenditures | <u>(100,000)</u> | <u>(76,792)</u> | <u>(75,227)</u> | <u>1,565</u> |
| <u>Other Financing (Uses)</u> | | | | |
| Transfers (out) | - | (23,208) | (23,208) | - |
| Total Other Financing (Uses) | <u>-</u> | <u>(23,208)</u> | <u>(23,208)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (100,000)</u> | <u>\$ (100,000)</u> | <u>(98,435)</u> | <u>\$ 1,565</u> |
| Beginning fund balance | | | <u>363,465</u> | |
| Ending Fund Balance | | | <u>\$ 265,030</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PEG Fee
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------|----------------------------|-------------------------|-------------------|---|
| <u>Revenues</u> | | | | |
| Franchise fees and local taxes | \$ 25,000 | \$ 25,000 | \$ 18,106 | \$ (6,894) |
| Investment income | 1,000 | 1,000 | 9,007 | 8,007 |
| Total Revenues | <u>26,000</u> | <u>26,000</u> | <u>27,113</u> | <u>1,113</u> |
| <u>Expenditures</u> | | | | |
| Capital outlay | 105,000 | 105,000 | - | 105,000 |
| Total Expenditures | <u>105,000</u> | <u>105,000</u> | <u>-</u> | <u>105,000</u> |
| Net Change in Fund Balance | <u>\$ (79,000)</u> | <u>\$ (79,000)</u> | 27,113 | <u>\$ 106,113</u> |
| Beginning fund balance | | | <u>244,423</u> | |
| Ending Fund Balance | | | <u>\$ 271,536</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Police Enforcement
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------|----------------------------|-------------------------|------------------|---|
| <u>Revenues</u> | | | | |
| Other | \$ 11,500 | \$ 11,500 | \$ 25,779 | \$ 14,279 |
| Total Revenues | <u>11,500</u> | <u>11,500</u> | <u>25,779</u> | <u>14,279</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Public safety | 61,750 | 61,750 | 55,110 | 6,640 |
| Total Expenditures | <u>61,750</u> | <u>61,750</u> | <u>55,110</u> | <u>6,640</u> |
| Net Change in Fund Balance | <u>\$ (50,250)</u> | <u>\$ (50,250)</u> | (29,331) | <u>\$ 20,919</u> |
| Beginning fund balance | | | <u>45,217</u> | |
| Ending Fund Balance | | | <u>\$ 15,886</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Police LEOSE
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------|----------------------------|-------------------------|-----------------|---|
| <u>Revenues</u> | | | | |
| Intergovernmental | \$ 1,800 | \$ 1,800 | \$ 1,871 | \$ 71 |
| Investment income | 5 | 5 | 19 | 14 |
| Total Revenues | <u>1,805</u> | <u>1,805</u> | <u>1,890</u> | <u>85</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Public safety | <u>1,800</u> | <u>1,800</u> | <u>-</u> | <u>1,800</u> |
| Total Expenditures | <u>1,800</u> | <u>1,800</u> | <u>-</u> | <u>1,800</u> |
| Net Change in Fund Balance | <u>\$ 5</u> | <u>\$ 5</u> | <u>1,890</u> | <u>\$ 1,885</u> |
| Beginning fund balance | | | <u>315</u> | |
| Ending Fund Balance | | | <u>\$ 2,205</u> | |

Notes to Supplementary Information:

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

CITY OF BEEVILLE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Street Maintenance
For the Year Ended September 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|-------------------|---|
| <u>Revenues</u> | | | | |
| Sales taxes | \$ 347,900 | \$ 347,900 | \$ 361,810 | \$ 13,910 |
| Investment income | 10,000 | 10,000 | 7,884 | (2,116) |
| Total Revenues | <u>357,900</u> | <u>357,900</u> | <u>369,694</u> | <u>11,794</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Public works | 53,300 | 42,300 | 41,957 | 343 |
| Capital outlay | <u>222,000</u> | <u>233,000</u> | <u>412,035</u> | <u>(179,035)</u> |
| Total Expenditures | <u>275,300</u> | <u>275,300</u> | <u>453,992</u> | <u>(178,692) *</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>82,600</u> | <u>82,600</u> | <u>(84,298)</u> | <u>(166,898)</u> |
| <u>Other Financing (Uses)</u> | | | | |
| Transfers (out) | <u>(60,000)</u> | <u>(60,000)</u> | <u>(60,000)</u> | <u>-</u> |
| Total Other Financing (Uses) | <u>(60,000)</u> | <u>(60,000)</u> | <u>(60,000)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ 22,600</u> | <u>\$ 22,600</u> | <u>(144,298)</u> | <u>\$ (166,898)</u> |
| Beginning fund balance | | | <u>709,132</u> | |
| Ending Fund Balance | | | <u>\$ 564,834</u> | |

Notes to Supplementary Information:

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

STATISTICAL SECTION

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

| Contents | Page |
|---|-------------|
| Financial Trends | 124 |
| <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i> | |
| Revenue Capacity | 136 |
| <i>These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.</i> | |
| Debt Capacity | 142 |
| <i>These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.</i> | |
| Demographic and Economic Information | 153 |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i> | |
| Operating Information | 157 |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i> | |

CITY OF BEEVILLE, TEXAS

NET POSITION BY COMPONENT

Last Ten Years
(accrual basis of accounting)

| | Fiscal Year | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 |
| Governmental Activities | | | | |
| Net investment in capital assets | \$ 3,964,618 | \$ 2,656,919 | \$ 4,211,390 | \$ 3,194,735 |
| Restricted | 5,641,793 | 7,413,717 | 5,835,205 | 7,168,643 |
| Unrestricted | 641,300 | 2,107,278 | 3,695,947 | 2,564,722 |
| Total Governmental Activities Net Position | <u>\$ 10,247,711</u> | <u>\$ 12,177,914</u> | <u>\$ 13,742,542</u> | <u>\$ 12,928,100</u> |
| Business-Type Activities | | | | |
| Net investment in capital assets | \$ 9,458,916 | \$ 9,204,641 | \$ 9,975,739 | \$ 10,971,471 |
| Restricted | - | - | 1,327,526 | 587,236 |
| Unrestricted | 4,121,905 | 5,710,426 | 3,185,745 | 3,170,981 |
| Total Business-Type Activities Net Position | <u>\$ 13,580,821</u> | <u>\$ 14,915,067</u> | <u>\$ 14,489,010</u> | <u>\$ 14,729,688</u> |
| Primary Government | | | | |
| Net investment in capital assets | \$ 13,423,534 | \$ 11,861,560 | \$ 14,187,129 | \$ 14,166,206 |
| Restricted | 5,641,793 | 7,413,717 | 7,162,731 | 7,755,879 |
| Unrestricted | 4,763,205 | 7,817,704 | 6,881,692 | 5,735,703 |
| Total Primary Government Net Position | <u>\$ 23,828,532</u> | <u>\$ 27,092,981</u> | <u>\$ 28,231,552</u> | <u>\$ 27,657,788</u> |

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| \$ 4,452,296 | \$ 4,361,738 | \$ 4,225,006 | \$ 4,435,913 | \$ 4,852,994 | \$ 6,100,070 |
| 5,778,671 | 4,422,346 | 4,327,422 | 5,335,611 | 6,689,507 | 4,748,677 |
| 2,930,468 | 3,707,353 | 2,813,173 | 4,120,277 | 2,036,948 | 2,708,406 |
| <u>\$ 13,161,435</u> | <u>\$ 12,491,437</u> | <u>\$ 11,365,601</u> | <u>\$ 13,891,801</u> | <u>\$ 13,579,449</u> | <u>\$ 13,557,153</u> |
| | | | | | |
| \$ 11,999,730 | \$ 11,999,730 | \$ 13,664,369 | \$ 7,978,086 | \$ 18,581,459 | \$ 20,343,502 |
| 83,346 | 1,170,303 | 1,357,913 | 6,292,748 | 2,148,583 | 1,067,244 |
| 4,076,947 | 3,978,815 | 1,425,050 | 368,285 | 1,694,626 | 2,826,574 |
| <u>\$ 16,160,023</u> | <u>\$ 17,148,848</u> | <u>\$ 16,447,332</u> | <u>\$ 14,639,119</u> | <u>\$ 22,424,668</u> | <u>\$ 24,237,320</u> |
| | | | | | |
| \$ 16,452,026 | \$ 16,361,468 | \$ 17,889,375 | \$ 12,413,999 | \$ 23,434,453 | \$ 26,443,572 |
| 5,862,017 | 5,592,649 | 5,685,335 | 11,628,359 | 8,838,090 | 5,815,921 |
| 7,007,415 | 7,686,168 | 4,238,223 | 4,488,562 | 3,731,574 | 5,534,980 |
| <u>\$ 29,321,458</u> | <u>\$ 29,640,285</u> | <u>\$ 27,812,933</u> | <u>\$ 28,530,920</u> | <u>\$ 36,004,117</u> | <u>\$ 37,794,473</u> |

CITY OF BEEVILLE, TEXAS

CHANGES IN NET POSITION

Last Ten Years

(accrual basis of accounting)

| | Fiscal Year | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2014 | 2015 | 2016 | 2017 |
| Expenses | | | | |
| Governmental activities | | | | |
| General government | \$ 3,104,581 | \$ 3,075,752 | \$ 2,846,643 | \$ 2,177,775 |
| Public safety | 3,616,400 | 2,901,213 | 3,351,537 | 3,609,458 |
| Culture and recreation | 1,645,034 | 1,747,984 | 1,455,702 | 1,546,177 |
| Public works | 3,213,457 | 3,733,870 | 3,126,135 | 3,617,626 |
| Interest and fiscal agent fees | 186,189 | 191,375 | 179,760 | 208,041 |
| Total Governmental Activities Expenses | <u>11,765,661</u> | <u>11,650,194</u> | <u>10,959,777</u> | <u>11,159,077</u> |
| Business-type activities | | | | |
| Utility | 5,668,930 | 5,987,034 | 6,446,964 | 6,662,936 |
| Total Business-Type Activities Expenses | <u>5,668,930</u> | <u>5,987,034</u> | <u>6,446,964</u> | <u>6,662,936</u> |
| Total Expenses | <u>\$ 17,434,591</u> | <u>\$ 17,637,228</u> | <u>\$ 17,406,741</u> | <u>\$ 17,822,013</u> |
| Program Revenues | | | | |
| Governmental activities | | | | |
| Charges for services | | | | |
| General government | \$ 462,773 | \$ 290,012 | \$ 124,012 | \$ 132,030 |
| Public safety | 465,158 | 469,837 | 502,665 | 299,175 |
| Culture and recreation | 83,213 | 133,274 | 145,838 | 127,420 |
| Public works | 2,345,447 | 2,373,192 | 2,306,457 | 2,296,730 |
| Operating grants and contributions | 58,510 | 2,300 | 146,325 | - |
| Capital grants and contributions | - | - | 9,861 | 8,645 |
| Total Governmental Activities | <u>3,415,101</u> | <u>3,268,615</u> | <u>3,235,158</u> | <u>2,864,000</u> |
| Program Revenues | <u>3,415,101</u> | <u>3,268,615</u> | <u>3,235,158</u> | <u>2,864,000</u> |
| Business-type activities | | | | |
| Charges for services | | | | |
| Utility | 7,240,592 | 7,061,391 | 6,299,320 | 6,927,401 |
| Operating grants and contributions | 23,567 | - | - | - |
| Capital grants and contributions | - | - | - | 40,600 |
| Total Business-Type Activities | <u>7,264,159</u> | <u>7,061,391</u> | <u>6,299,320</u> | <u>6,968,001</u> |
| Program Revenues | <u>7,264,159</u> | <u>7,061,391</u> | <u>6,299,320</u> | <u>6,968,001</u> |
| Total Program Revenues | <u>\$ 10,679,260</u> | <u>\$ 10,330,006</u> | <u>\$ 9,534,478</u> | <u>\$ 9,832,001</u> |
| Net (Expense)/Revenue | | | | |
| Governmental activities | \$ (8,350,560) | \$ (8,381,579) | \$ (7,724,619) | \$ (8,295,077) |
| Business-type activities | 1,595,229 | 1,074,357 | (147,644) | 305,065 |
| Total Net (Expense) | <u>\$ (6,755,331)</u> | <u>\$ (7,307,222)</u> | <u>\$ (7,872,263)</u> | <u>\$ (7,990,012)</u> |

| Fiscal Year | | | | | |
|----------------|----------------|-----------------|----------------|----------------|----------------|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| \$ 2,432,830 | \$ 2,574,264 | \$ 2,726,839 | \$ 3,711,603 | \$ 3,401,434 | \$ 3,407,198 |
| 3,173,873 | 3,127,920 | 3,394,272 | 3,001,923 | 3,673,522 | 4,121,196 |
| 1,694,361 | 1,627,328 | 1,548,367 | 1,511,530 | 996,304 | 1,422,009 |
| 3,326,015 | 3,808,427 | 4,495,045 | 3,564,108 | 4,725,953 | 4,507,447 |
| 177,686 | 154,226 | 157,348 | 163,199 | 145,373 | 503,822 |
| 10,804,765 | 11,292,165 | 12,321,871 | 11,952,363 | 12,942,586 | 13,961,672 |
| 6,512,850 | 6,769,303 | 7,899,043 | 8,718,620 | 8,379,656 | 8,251,135 |
| 6,512,850 | 6,769,303 | 7,899,043 | 8,718,620 | 8,379,656 | 8,251,135 |
| \$ 17,317,615 | \$ 18,061,468 | \$ 20,220,914 | \$ 20,670,983 | \$ 21,322,242 | \$ 22,212,807 |
| \$ 152,735 | \$ 125,917 | \$ 105,633 | \$ 154,358 | \$ 189,097 | \$ 353,908 |
| 246,997 | 193,794 | 266,984 | 318,945 | 260,800 | 285,609 |
| 122,492 | 129,483 | 129,238 | 156,569 | 255,405 | 111,632 |
| 2,327,123 | 2,188,542 | 2,190,279 | 2,419,227 | 2,661,257 | 2,496,343 |
| 25,832 | 298,444 | - | - | 1,602,332 | 1,052,075 |
| 6,778 | 6,253 | 10,862 | 25,600 | - | 538,114 |
| 2,881,957 | 2,942,433 | 2,702,996 | 3,074,699 | 4,968,891 | 4,837,681 |
| 7,610,348 | 6,716,293 | 7,195,033 | 7,734,024 | 9,985,562 | 9,844,403 |
| - | - | - | - | - | - |
| 210,062 | 81,836 | 264,154 | 3,300 | - | - |
| 7,820,410 | 6,798,129 | 7,459,187 | 7,737,324 | 9,985,562 | 9,844,403 |
| \$ 10,702,367 | \$ 9,740,562 | \$ 10,162,183 | \$ 10,812,023 | \$ 14,954,453 | \$ 14,682,084 |
| \$ (7,922,808) | \$ (8,349,732) | \$ (9,618,875) | \$ (8,877,664) | \$ (7,973,695) | \$ (9,123,991) |
| 1,307,560 | 28,826 | (439,856) | (981,296) | 1,605,906 | 1,593,268 |
| \$ (6,615,248) | \$ (8,320,906) | \$ (10,058,731) | \$ (9,858,960) | \$ (6,367,789) | \$ (7,530,723) |

CITY OF BEEVILLE, TEXAS

CHANGES IN NET POSITION (Continued)

Last Ten Years
(accrual basis of accounting)

| | Fiscal Year | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 2014 | 2015 | 2016 | 2017 |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental activities | | | | |
| Property taxes | \$ 2,385,628 | \$ 2,464,231 | \$ 2,485,715 | \$ 2,800,071 |
| Sales taxes | 4,040,846 | 3,897,170 | 3,627,993 | 3,407,522 |
| Franchise fees and local taxes | 1,214,635 | 1,143,664 | 847,480 | 891,105 |
| Investment income | 4,285 | 3,964 | 18,319 | 49,952 |
| Other | 225,880 | 662,701 | 182,075 | 103,517 |
| Gain on sale of capital assets | - | - | 45,782 | 2,210 |
| Transfers | 775,667 | 583,558 | 939,766 | 226,258 |
| Total Governmental Activities | <u>8,646,941</u> | <u>8,755,288</u> | <u>8,147,130</u> | <u>7,480,635</u> |
| Business-type activities | | | | |
| Investment income | 1,346 | 1,340 | 9,042 | 55,872 |
| Other | 27,868 | 29,263 | 129,343 | 105,999 |
| Transfers | (775,667) | (583,558) | (939,766) | (226,258) |
| Total Business-Type Activities | <u>(746,453)</u> | <u>(552,955)</u> | <u>(801,381)</u> | <u>(64,387)</u> |
| Total Primary Government | <u>\$ 7,900,488</u> | <u>\$ 8,202,333</u> | <u>\$ 7,345,749</u> | <u>\$ 7,416,248</u> |
| Change in Net Position | | | | |
| Governmental activities | \$ 296,381 | \$ 373,709 | \$ 422,511 | \$ (814,442) |
| Business-type activities | 848,776 | 521,402 | (949,025) | 240,678 |
| Total Change in Net Position | <u>\$ 1,145,157</u> | <u>\$ 895,111</u> | <u>\$ (526,514)</u> | <u>\$ (573,764)</u> |

| Fiscal Year | | | | | |
|--------------|--------------|----------------|---------------|--------------|--------------|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| \$ 3,000,648 | \$ 3,985,954 | \$ 3,969,518 | \$ 4,321,999 | \$ 3,335,748 | \$ 3,530,969 |
| 3,870,737 | 3,051,293 | 2,787,196 | 2,803,791 | 4,169,552 | 4,342,391 |
| 945,988 | 1,013,971 | 818,048 | 923,892 | 954,804 | 900,122 |
| 120,051 | 166,255 | 132,783 | 81,075 | 119,310 | 229,243 |
| 100,230 | 153,857 | 83,878 | 106,310 | 228,239 | 84,687 |
| 2,484 | 2,740 | 149,955 | 2,178,719 | - | - |
| 116,006 | (694,336) | 551,661 | 988,078 | 441,440 | 14,283 |
| 8,156,144 | 7,679,734 | 8,493,039 | 11,403,864 | 9,249,093 | 9,101,695 |
| 118,111 | 145,130 | 87,390 | 45,575 | 70,862 | 62,316 |
| 120,670 | 120,533 | 202,611 | 115,586 | 191,602 | 171,351 |
| (116,006) | 694,336 | (551,661) | (988,078) | (441,440) | (14,283) |
| 122,775 | 959,999 | (261,660) | (826,917) | (178,976) | 219,384 |
| \$ 8,278,919 | \$ 8,639,733 | \$ 8,231,379 | \$ 10,576,947 | \$ 9,070,117 | \$ 9,321,079 |
| \$ 233,336 | \$ (669,998) | \$ (1,125,836) | \$ 2,526,200 | \$ 1,275,398 | \$ (22,296) |
| 1,430,335 | 988,825 | (701,516) | (1,808,213) | 1,426,930 | 1,812,652 |
| \$ 1,663,671 | \$ 318,827 | \$ (1,827,352) | \$ 717,987 | \$ 2,702,328 | \$ 1,790,356 |

CITY OF BEEVILLE, TEXAS
GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
Last Ten Years

| Fiscal Year | Property Tax (M&O) | Property Tax (I&S) | Sales Tax | Occupancy Tax | Mixed Beverage Tax | Total |
|------------------------|---------------------------------------|---------------------------------------|----------------------|--------------------------|-----------------------------------|---------------|
| 2014 | \$ 1,651,827 | \$ 611,718 | \$ 4,033,631 | \$ 524,064 | \$ 31,652 | \$ 6,852,892 |
| 2015 | \$ 1,564,287 | \$ 780,540 | \$ 3,870,314 | \$ 384,069 | \$ 30,764 | \$ 6,629,974 |
| 2016 | \$ 1,971,803 | \$ 438,767 | \$ 4,230,217 | \$ 178,605 | \$ 25,264 | \$ 6,844,657 |
| 2017 | \$ 6,767,805 | \$ 637,749 | \$ 3,381,491 | \$ 263,604 | \$ 24,840 | \$ 11,075,489 |
| 2018 | \$ 2,134,159 | \$ 724,364 | \$ 3,844,273 | \$ 279,633 | \$ 25,950 | \$ 7,008,379 |
| 2019 | \$ 2,501,721 | \$ 364,310 | \$ 4,044,500 | \$ 342,851 | \$ 33,117 | \$ 7,286,499 |
| 2020 | \$ 2,722,324 | \$ 317,293 | \$ 3,697,406 | \$ 204,842 | \$ 19,624 | \$ 6,961,489 |
| 2021 | \$ 2,289,491 | \$ 1,117,799 | \$ 4,281,112 | \$ 287,591 | \$ 30,422 | \$ 8,006,414 |
| 2022 | \$ 2,189,583 | \$ 1,146,165 | \$ 4,169,552 | \$ 274,003 | \$ 33,748 | \$ 7,813,051 |
| 2023 | \$ 2,647,034 | \$ 883,935 | \$ 4,342,391 | \$ 284,258 | \$ 28,951 | \$ 8,186,569 |

SOURCE: City Resources
Texas Comptroller at <https://mycpa.cpa.state.tx.us/allocation/AllocHist.jsp>

CITY OF BEEVILLE, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Years
(modified accrual basis of accounting)

| | | Fiscal Year | | | |
|---|--|---------------------|---------------------|---------------------|---------------------|
| | | 2014 | 2015 | 2016 | 2017 |
| General Fund | | | | | |
| Nonspendable | | \$ - | \$ 80,200 | \$ 82,850 | \$ 82,850 |
| Restricted | | 29,617 | 691,736 | - | - |
| Unassigned | | 1,012,591 | (266,356) | 1,704,169 | 1,079,177 |
| Total General Fund | | <u>\$ 1,042,208</u> | <u>\$ 505,580</u> | <u>\$ 1,787,019</u> | <u>\$ 1,162,027</u> |
| All Other Governmental Funds | | | | | |
| Restricted | | \$ 5,659,645 | \$ 7,431,569 | \$ 5,835,205 | \$ 7,168,643 |
| Committed | | - | - | 659,850 | 594,699 |
| Unassigned | | - | - | - | - |
| Total All Other Governmental Funds | | <u>\$ 5,659,645</u> | <u>\$ 7,431,569</u> | <u>\$ 6,495,055</u> | <u>\$ 7,763,342</u> |

| Fiscal Year | | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| \$ 82,850 | \$ 82,850 | \$ 82,850 | \$ 82,850 | \$ - | \$ 18,841 |
| - | - | - | - | - | - |
| 1,054,383 | 1,678,457 | 1,366,003 | 1,638,594 | 1,276,213 | 1,441,172 |
| <u>\$ 1,137,233</u> | <u>\$ 1,761,307</u> | <u>\$ 1,448,853</u> | <u>\$ 1,721,444</u> | <u>\$ 1,276,213</u> | <u>\$ 1,460,013</u> |
| \$ 5,778,671 | \$ 4,422,346 | \$ 4,327,422 | \$ 5,344,073 | \$ 4,199,144 | \$ 19,813,562 |
| 839,048 | 664,314 | 640,989 | 874,294 | 680,030 | 564,834 |
| - | - | (29,681) | (27,389) | (17,005) | (15,947) |
| <u>\$ 6,617,719</u> | <u>\$ 5,086,660</u> | <u>\$ 4,938,730</u> | <u>\$ 6,190,978</u> | <u>\$ 4,862,169</u> | <u>\$ 20,362,449</u> |

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CITY OF BEEVILLE, TEXAS
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
Last Ten Years
(modified accrual basis of accounting)

| | Fiscal Year | | | |
|--|--------------------|---------------------|---------------------|-------------------|
| | 2014 | 2015 | 2016 | 2017 |
| Revenues | | | | |
| Taxes and fees | \$ 7,600,171 | \$ 7,468,065 | \$ 6,962,057 | \$ 7,066,800 |
| Charges for services | 2,662,345 | 2,760,668 | 2,732,133 | 2,558,893 |
| Fines and forfeitures | 250,180 | 261,058 | 253,772 | 196,668 |
| Licenses and permits | 444,066 | 121,633 | 93,067 | 99,794 |
| Investment income | 4,285 | 3,964 | 18,319 | 49,952 |
| Intergovernmental | 58,510 | 2,300 | 201,968 | 10,855 |
| Other | 340,029 | 785,579 | 182,075 | 103,517 |
| Total Revenues | 11,359,586 | 11,403,267 | 10,443,391 | 10,086,479 |
| Expenditures | | | | |
| General government | 2,985,379 | 2,987,381 | 2,881,434 | 2,107,432 |
| Public safety | 3,181,506 | 2,636,958 | 3,186,168 | 3,215,371 |
| Public works | 3,040,593 | 3,111,051 | 2,983,794 | 3,153,193 |
| Culture and recreation | 1,272,928 | 1,370,618 | 1,404,504 | 1,419,461 |
| Capital outlay | 732,798 | 1,140,965 | 1,054,154 | 274,024 |
| Debt service: | | | | |
| Principal | 804,612 | 737,043 | 726,976 | 589,421 |
| Interest and fiscal charges | 186,189 | 165,602 | 184,694 | 162,540 |
| Issuance costs | - | 51,338 | 8,625 | 48,000 |
| Total Expenditures | 12,204,005 | 12,200,956 | 12,430,349 | 10,969,442 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (844,419) | (797,689) | (1,986,958) | (882,963) |
| Other Financing Sources (Uses) | | | | |
| Debt issuance | - | 1,630,000 | 250,000 | 1,300,000 |
| Issuance premiums | - | 89,113 | - | - |
| Leases | - | - | - | - |
| Subscriptions | - | - | - | - |
| Transfers in | 2,177,179 | 2,170,984 | 1,837,110 | 1,637,247 |
| Transfers (out) | (1,401,512) | (1,587,426) | (897,344) | (1,410,989) |
| Total Other Financing Sources (Uses) | 775,667 | 2,302,671 | 1,189,766 | 1,526,258 |
| Net Change in Fund Balances | \$ (68,752) | \$ 1,504,982 | \$ (797,192) | \$ 643,295 |
| Debt service as a percentage of noncapital expenditures | 8.12% | 7.82% | 7.40% | 7.29% |

| Fiscal Year | | | | | |
|----------------|--------------|--------------|--------------|--------------|---------------|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| \$ 7,822,604 | \$ 8,050,034 | \$ 7,530,944 | \$ 8,018,742 | \$ 8,434,077 | \$ 8,706,991 |
| 2,589,608 | 2,433,198 | 2,432,497 | 2,681,874 | 3,035,768 | 2,935,851 |
| 145,100 | 98,103 | 176,088 | 228,589 | 157,219 | 164,203 |
| 114,639 | 106,435 | 83,549 | 138,636 | 173,572 | 179,757 |
| 120,051 | 166,255 | 132,783 | 81,075 | 119,310 | 229,243 |
| 35,094 | 307,437 | 160,817 | 2,204,319 | 1,602,332 | 1,490,189 |
| 100,230 | 153,857 | 83,878 | 98,854 | 238,623 | 175,551 |
| 10,927,326 | 11,315,319 | 10,600,556 | 13,452,089 | 13,760,901 | 13,881,785 |
| 2,414,677 | 2,487,439 | 3,823,326 | 3,350,139 | 3,418,056 | 2,929,231 |
| 3,057,914 | 3,134,608 | 3,191,286 | 3,475,319 | 3,641,165 | 3,651,830 |
| 3,125,044 | 3,724,070 | 3,584,343 | 3,471,078 | 3,584,891 | 4,142,995 |
| 1,339,082 | 1,284,350 | 1,469,365 | 1,356,712 | 1,337,985 | 981,966 |
| 1,475,888 | 164,871 | 1,252,662 | 461,580 | 913,748 | 3,684,664 |
| 617,649 | 573,421 | 735,771 | 684,885 | 790,897 | 735,919 |
| 183,495 | 159,209 | 160,827 | 155,767 | 166,141 | 135,917 |
| - | - | - | - | - | 314,660 |
| 12,213,749 | 11,527,968 | 14,217,580 | 12,955,480 | 13,852,883 | 16,577,182 |
| (1,286,423) | (212,649) | (3,617,024) | 496,609 | (91,982) | (2,695,397) |
| - | - | 2,604,979 | 31,690 | - | 16,540,000 |
| - | - | - | - | - | 643,793 |
| - | - | - | - | - | 690,215 |
| - | - | - | - | - | 64,545 |
| 1,603,158 | 1,883,106 | 2,230,200 | 2,647,921 | 2,175,884 | 2,269,183 |
| (1,487,152) | (2,577,442) | (1,678,539) | (1,659,843) | (1,734,444) | (1,828,259) |
| 116,006 | (694,336) | 3,156,640 | 1,019,768 | 441,440 | 18,379,477 |
| \$ (1,170,417) | \$ (906,985) | \$ (460,384) | \$ 1,516,377 | \$ 349,458 | \$ 15,684,080 |
| 6.56% | 6.36% | 6.31% | 6.49% | 6.91% | 6.61% |

CITY OF BEEVILLE, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Years

| Fiscal Year | Tax Year | Total Assessed Value | Less: | | Total Taxable Value | Total Direct Tax Rate | Estimated Levy |
|----------------|-------------|-------------------------|-----------------------------|----|------------------------|--------------------------|-------------------|
| | | | Tax Exempt Real Property | | | | |
| 2014 | 2013 | \$ 441,125,720 | \$ 18,356,205 | \$ | 422,769,515 | 0.53290 | \$ 2,252,939 |
| 2015 | 2014 | \$ 437,246,790 | \$ 7,887,470 | \$ | 429,359,320 | 0.53230 | \$ 2,285,480 |
| 2016 | 2015 | \$ 493,713,460 | \$ 49,265,500 | \$ | 444,447,960 | 0.54598 | \$ 2,426,597 |
| 2017 | 2016 | \$ 523,101,773 | \$ 50,649,160 | \$ | 472,452,613 | 0.57573 | \$ 2,720,051 |
| 2018 | 2017 | \$ 530,880,390 | \$ 53,447,930 | \$ | 477,432,460 | 0.62200 | \$ 2,969,630 |
| 2019 | 2018 | \$ 542,223,320 | \$ 54,522,810 | \$ | 487,700,510 | 0.61284 | \$ 2,988,824 |
| 2020 | 2019 | \$ 580,046,552 | \$ 58,802,032 | \$ | 521,244,520 | 0.59799 | \$ 3,116,990 |
| 2021 | 2020 | \$ 678,192,261 | \$ 187,069,720 | \$ | 491,122,541 | 0.66382 | \$ 3,260,170 |
| 2022 | 2021 | \$ 555,103,971 | \$ 13,472,240 | \$ | 541,631,731 | 0.66382 | \$ 3,595,460 |
| 2023 | 2022 | \$ 872,028,463 | \$ 232,354,199 | \$ | 639,674,264 | 0.54329 | \$ 3,475,286 |

Note: Property in the City is reassessed annually. The City assesses property at 100% of actual taxable value for all types of real and personal property. Tax rates are per 100% of assessed value.

Sources: City of Beeville
Bee County Tax Assessor/Collector
Bee County Appraisal District

CITY OF BEEVILLE, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

| Fiscal Year | Tax Year | City Direct Rates | | | Overlapping Rates | | | | |
|----------------|-------------|-------------------|-----------------|------------|--------------------|-------------------|---------------------|--------------------------|------------|
| | | General Fund | Debt Service | Totals | School District | Junior College | Bee County/ FMLR | Beeville | |
| | | | | | | | | Water Supply District | Totals |
| 2014 | 2013 | \$ 0.38725 | \$ 0.14565 | \$ 0.53290 | \$ 1.25423 | \$ 0.17388 | \$ 0.46010 | \$ 0.19018 | \$ 2.61129 |
| 2015 | 2014 | 0.35274 | 0.17956 | 0.53230 | 1.25420 | 0.17738 | 0.44564 | 0.08482 | 2.49434 |
| 2016 | 2015 | 0.44899 | 0.09699 | 0.54598 | 1.20540 | 0.17738 | 0.47207 | 0.08190 | 2.48273 |
| 2017 | 2016 | 0.43578 | 0.13995 | 0.57573 | 1.20540 | 0.18524 | 0.51792 | 0.00000 | 2.48429 |
| 2018 | 2017 | 0.46368 | 0.15832 | 0.62200 | 1.20540 | 0.19570 | 0.68751 | 0.00000 | 2.71061 |
| 2019 | 2018 | 0.53784 | 0.07500 | 0.61284 | 1.20540 | 0.19194 | 0.67105 | 0.00000 | 2.68123 |
| 2020 | 2019 | 0.53717 | 0.06082 | 0.59799 | 1.20540 | 0.17687 | 0.67782 | 0.14113 | 2.79921 |
| 2021 | 2020 | 0.44118 | 0.22264 | 0.66382 | 1.19170 | 0.16714 | 0.69544 | 0.08236 | 2.80046 |
| 2022 | 2021 | 0.42940 | 0.23442 | 0.66382 | 1.19240 | 0.20137 | 0.72903 | 0.06538 | 2.85200 |
| 2023 | 2022 | 0.40811 | 0.13518 | 0.54329 | 1.13944 | 0.16403 | 0.59241 | 0.08000 | 2.51917 |

Sources: Tax department records of the various taxing authorities

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CITY OF BEEVILLE, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

| Property Taxpayer | 2023 | | | 2014 | | |
|--------------------------------|----------------------------|------|-------------------------------|----------------------------|------|-------------------------------|
| | Taxable Assessed Valuation | Rank | % of Total Assessed Valuation | Taxable Assessed Valuation | Rank | % of Total Assessed Valuation |
| Wal Mart Stores Texas LP | \$ 13,174,746 | 1 | 2.06% | \$ 11,269,590 | 1 | 2.67% |
| Eagles Landing Equity Fund LLC | 8,514,740 | 2 | 1.33% | - | - | - |
| Beeville Oak Hill 148 LLC | 8,457,820 | 3 | 1.32% | - | - | - |
| MCN Beeville LLC | 7,065,853 | 4 | 1.10% | - | - | - |
| Beeville Investment Partners | 6,700,470 | 5 | 1.05% | - | - | - |
| H.E. Butt Grocery Co | 5,645,620 | 6 | 0.88% | 5,376,380 | 5 | 1.27% |
| Sutherland Lumber & Building | 4,469,887 | 7 | 0.70% | - | - | - |
| BMDA3 LLC | 4,433,240 | 8 | 0.69% | - | - | - |
| Danville LLC | 4,282,720 | 9 | 0.67% | 3,473,470 | 9 | 0.82% |
| BMDA4 LLC | 4,207,510 | 10 | 0.66% | - | - | - |
| Halliburton Energy Services | - | - | - | 11,269,590 | 2 | 2.67% |
| AEP Texas Central Company | - | - | - | 7,339,640 | 3 | 1.74% |
| Beeville Hotels LLC | - | - | - | 6,000,000 | 4 | 1.42% |
| Automotive Rentals Inc. | - | - | - | 4,637,080 | 6 | 1.10% |
| SOTX Lodging Inc. | - | - | - | 4,265,000 | 7 | 1.01% |
| SCD HBV LLC. | - | - | - | 4,200,000 | 8 | 0.99% |
| Integrity Delaware | - | - | - | 3,461,280 | 10 | 0.82% |
| Subtotal | 66,952,606 | | 10.47% | 61,292,030 | | 14.50% |
| Other Taxpayers | 572,721,658 | | 89.53% | 361,477,485 | | 85.50% |
| Total | \$ 639,674,264 | | 100.00% | \$ 422,769,515 | | 100.00% |

Source: Bee County Appraisal District

CITY OF BEEVILLE, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS (In Thousands)
Last Ten Years

| Fiscal Year | Tax Levy Year | Taxes Levied for the Fiscal Year (Original Levy) | Current Tax Collected | | Collections in Subsequent Years | Total Collections to Date | |
|------------------------|------------------------------|---|------------------------------|-------------------------------|--|----------------------------------|-------------------------------|
| | | | Tax Collected | Percentage of Levy | | Amount Collected | Percentage of Levy |
| 2014 | 2013 | \$ 2,252 | \$ 2,152 | 95.56% | \$ 90 | \$ 2,242 | 99.56% |
| 2015 | 2014 | \$ 2,285 | \$ 2,209 | 96.67% | \$ 64 | \$ 2,273 | 99.47% |
| 2016 | 2015 | \$ 2,426 | \$ 2,252 | 92.83% | \$ 159 | \$ 2,411 | 99.38% |
| 2017 | 2016 | \$ 2,678 | \$ 2,499 | 93.32% | \$ 162 | \$ 2,661 | 99.37% |
| 2018 | 2017 | \$ 2,943 | \$ 2,702 | 91.81% | \$ 217 | \$ 2,919 | 99.18% |
| 2019 | 2018 | \$ 2,980 | \$ 2,706 | 90.81% | \$ 240 | \$ 2,946 | 98.86% |
| 2020 | 2019 | \$ 3,117 | \$ 2,872 | 92.14% | \$ 201 | \$ 3,073 | 98.59% |
| 2021 | 2020 | \$ 3,260 | \$ 3,235 | 99.23% | \$ (34) | \$ 3,201 | 98.19% |
| 2022 | 2021 | \$ 3,595 | \$ 3,210 | 89.29% | \$ 303 | \$ 3,513 | 97.72% |
| 2023 | 2022 | \$ 3,481 | \$ 3,304 | 94.92% | \$ - | \$ 3,304 | 94.92% |

Source: City of Beeville and the Bee County Tax Assessor/Collector.

CITY OF BEEVILLE, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Years

| | Fiscal Year | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2014 | 2015 | 2016 | 2017 |
| Governmental Activities: | | | | |
| Certificates of obligation | \$ 264,000 | \$ 1,767,000 | \$ 1,639,000 | \$ 1,505,000 |
| Sales tax revenue bonds | 3,153,000 | 2,836,000 | 2,502,000 | 3,586,000 |
| Tax revenue bonds | - | - | 205,000 | 155,000 |
| Capital leases/notes payable | 1,245,304 | 931,152 | 711,176 | 521,755 |
| Lease liability | - | - | - | - |
| Subscription liability | - | - | - | - |
| Bond issuance premiums | - | 84,657 | 80,424 | 76,191 |
| Subtotal | 4,662,304 | 5,618,809 | 5,137,600 | 5,843,946 |
| Business-Type Activities: | | | | |
| General obligation bonds | - | - | - | 4,285,000 |
| Certificates of obligation | 1,675,000 | 1,590,000 | 4,800,000 | 4,550,000 |
| Tax revenue bonds | 715,000 | 360,000 | - | - |
| Capital leases/notes payable | 149,597 | 83,960 | 43,677 | - |
| Lease liability | - | - | - | - |
| Bond issuance premiums | - | - | - | - |
| Subtotal | 2,539,597 | 2,033,960 | 4,843,677 | 8,835,000 |
| Government-Wide: | | | | |
| General obligation bonds | - | - | - | 4,285,000 |
| Certificates of obligation | 1,939,000 | 3,357,000 | 6,439,000 | 6,055,000 |
| Sales tax revenue bonds | 3,153,000 | 2,836,000 | 2,502,000 | 3,586,000 |
| Tax revenue bonds | 715,000 | 360,000 | 205,000 | 155,000 |
| Capital leases/note payable | 1,394,901 | 1,015,112 | 754,853 | 521,755 |
| Lease liability | - | - | - | - |
| Subscription liability | - | - | - | - |
| Bond issuance premiums | - | 84,657 | 80,424 | 76,191 |
| Total Government-Wide | \$ 7,201,901 | \$ 7,652,769 | \$ 9,981,277 | \$ 14,678,946 |
| Total Assessed Property Value | \$ 441,125,720 | \$ 437,246,790 | \$ 493,713,460 | \$ 523,101,773 |
| Percentage of Full Property Value: | | | | |
| Governmental activities | 1.06% | 1.29% | 1.04% | 1.12% |
| Government-wide | 1.63% | 1.75% | 2.02% | 2.81% |
| Population | 13,350 | 13,303 | 13,277 | 12,904 |
| Debt Per Capita: | | | | |
| Governmental activities | \$ 349 | \$ 422 | \$ 387 | \$ 453 |
| Government-wide | \$ 539 | \$ 575 | \$ 752 | \$ 1,138 |

Source: City of Beeville financial statements

Note: Personal income is presented with demographic data.

| Fiscal Year | | | | | |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| \$ 1,370,000 | \$ 1,300,000 | \$ 2,582,500 | \$ 2,372,500 | \$ 2,160,000 | \$ 18,480,000 |
| 3,253,000 | 2,903,000 | 2,541,000 | 2,171,000 | 1,788,000 | 1,397,000 |
| 104,000 | 52,000 | - | - | - | - |
| 423,106 | 321,685 | 1,322,393 | 1,241,742 | 1,068,366 | 1,005,711 |
| - | - | - | - | - | 683,647 |
| - | - | - | - | 107,993 | 116,842 |
| 71,958 | 67,725 | 63,492 | 59,259 | 59,259 | 673,352 |
| 5,222,064 | 4,644,410 | 6,509,385 | 5,844,501 | 5,183,618 | 22,356,552 |
| 5,426,000 | 5,102,000 | 4,770,000 | 4,434,000 | 4,096,000 | 3,755,000 |
| 2,990,000 | 2,835,000 | 4,032,500 | 10,777,500 | 10,479,000 | 10,177,000 |
| - | - | - | - | - | - |
| - | - | 3,715,494 | 4,161,950 | 4,081,328 | 3,841,976 |
| - | - | - | - | - | 113,418 |
| - | - | - | 630,489 | 598,965 | 567,441 |
| 8,416,000 | 7,937,000 | 12,517,994 | 20,003,939 | 19,255,293 | 18,454,835 |
| 5,426,000 | 5,102,000 | 4,770,000 | 4,434,000 | 4,096,000 | 3,755,000 |
| 4,360,000 | 4,135,000 | 6,615,000 | 13,150,000 | 12,639,000 | 28,657,000 |
| 3,253,000 | 2,903,000 | 2,541,000 | 2,171,000 | 1,788,000 | 1,397,000 |
| 104,000 | 52,000 | - | - | - | - |
| 423,106 | 321,685 | 5,037,887 | 5,403,692 | 5,149,694 | 4,847,687 |
| - | - | - | - | - | 797,065 |
| - | - | - | - | 107,993 | 116,842 |
| 71,958 | 67,725 | 63,492 | 689,748 | 658,224 | 1,240,793 |
| \$ 13,638,064 | \$ 12,581,410 | \$ 19,027,379 | \$ 25,848,440 | \$ 24,438,911 | \$ 40,811,387 |
| \$ 530,880,390 | \$ 542,223,320 | \$ 580,046,552 | \$ 678,192,261 | \$ 555,103,971 | \$ 872,028,463 |
| 0.98% | 0.86% | 1.12% | 0.86% | 0.93% | 2.56% |
| 2.57% | 2.32% | 3.28% | 3.81% | 4.40% | 4.68% |
| 12,863 | 12,793 | 13,669 | 13,641 | 13,332 | 13,200 |
| \$ 406 | \$ 363 | \$ 476 | \$ 428 | \$ 389 | \$ 1,694 |
| \$ 1,060 | \$ 983 | \$ 1,392 | \$ 1,895 | \$ 1,833 | \$ 3,092 |

CITY OF BEEVILLE, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Years

| | Fiscal Year | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2014 | 2015 | 2016 | 2017 |
| Total Taxable Value | \$ 422,769,515 | \$ 429,359,320 | \$ 444,447,960 | \$ 472,452,613 |
| Net Bonded Debt | | | | |
| Gross bonded debt ⁽¹⁾ | \$ 4,662,304 | \$ 5,618,809 | \$ 5,137,600 | \$ 5,843,946 |
| Less: amounts available in debt service fund | 516,821 | 844,119 | 944,444 | 844,043 |
| Total | \$ 4,145,483 | \$ 4,774,690 | \$ 4,193,156 | \$ 4,999,903 |
| Percentage of Total Taxable Value of Property | 0.98% | 1.11% | 0.94% | 1.06% |
| Population | 13,350 | 13,303 | 13,277 | 12,904 |
| Per Capita | \$ 311 | \$ 359 | \$ 316 | \$ 387 |

Notes:

Additional information about the City's outstanding debt is included in the notes to the financial statements.

(1) These are the amounts of the outstanding debt for governmental activities since this debt is repaid with taxes levied on all taxable property located within the City.

| Fiscal Year | | | | | |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| \$ 477,432,460 | \$ 487,700,510 | \$ 521,244,520 | \$ 491,122,541 | \$ 541,631,731 | \$ 639,674,264 |
| \$ 5,222,064 | \$ 4,644,410 | \$ 6,509,385 | \$ 5,844,501 | \$ 5,183,618 | \$ 22,356,552 |
| 940,247 | 707,142 | 90,540 | 394,460 | 472,733 | 357,034 |
| \$ 4,281,817 | \$ 3,937,268 | \$ 6,418,845 | \$ 5,450,041 | \$ 4,710,885 | \$ 21,999,518 |
| 0.90% | 0.81% | 1.23% | 1.11% | 0.87% | 3.44% |
| 12,863 | 12,793 | 13,669 | 13,641 | 13,332 | 13,200 |
| \$ 333 | \$ 308 | \$ 470 | \$ 400 | \$ 353 | \$ 1,667 |

CITY OF BEEVILLE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2023

| Government Unit | Net Debt Outstanding | Estimated Percentage Applicable* | Estimated Share of Overlapping Debt |
|--|-------------------------------------|---|--|
| Bee County | \$ 21,200,000 | 26.46% | \$ 5,609,520 |
| Beeville ISD | \$ 15,033,000 | 68.87% | 10,353,227 |
| Beeville Water Supply District | \$ 6,265,000 | 100.00% | 6,265,000 |
| Coastal Bend College District | \$ 7,412,000 | 26.46% | 1,961,215 |
| Subtotal, overlapping debt | | | <u>24,188,962</u> |
| City Direct Debt | \$ 22,356,552 | 100.00% | <u>22,356,552</u> |
| Total Direct and Overlapping Debt | | | <u><u>\$ 46,545,514</u></u> |

Note: There is no legal debt limit for the City. Texas municipalities are not bound by any direct constitutional or statutory maximums as to the amount of obligation bonds which may be issued; however, all local bonds must be submitted to and approved by the State Attorney General. It is the established practice of the Attorney General not to approve a prospective bond issue if it will result in a tax levy for general bonded debt of over \$1.00 for cities under 5,000, or \$1.50 for cities over 5,000 population.

Source:

City of Beeville
Bee County
Beeville ISD
Coastal Bend College
Municipal Advisory Council of Texas

CITY OF BEEVILLE, TEXAS

LEGAL DEBT MARGIN INFORMATION

Last Ten Years

| | Fiscal Year | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 |
| Debt limit ⁽²⁾ | \$ 44,112,572 | \$ 43,724,679 | \$ 49,371,346 | \$ 52,310,177 |
| Total net debt applicable to limit | 4,145,483 | 4,774,690 | 4,193,156 | 4,999,903 |
| Legal debt margin | <u>\$ 39,967,089</u> | <u>\$ 38,949,989</u> | <u>\$ 45,178,190</u> | <u>\$ 47,310,274</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 9.40% | 10.92% | 8.49% | 9.56% |

Legal Debt Margin Calculation

| | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| Assessed value | \$ 441,125,720 | \$ 437,246,790 | \$ 493,713,460 | \$ 523,101,773 |
| Debt limit (10% of assessed value) | 44,112,572 | 43,724,679 | 49,371,346 | 52,310,177 |
| Debt applicable to limit: | | | | |
| Gross bonded debt ⁽¹⁾ | 4,662,304 | 5,618,809 | 5,137,600 | 5,843,946 |
| Less: amount set aside for repayment of general obligation debt | 516,821 | 844,119 | 944,444 | 844,043 |
| Total net debt applicable to limit | <u>4,145,483</u> | <u>4,774,690</u> | <u>4,193,156</u> | <u>4,999,903</u> |
| Legal debt margin | <u>\$ 39,967,089</u> | <u>\$ 38,949,989</u> | <u>\$ 45,178,190</u> | <u>\$ 47,310,274</u> |

Notes:

- (1) These are the amounts of the outstanding debt for governmental activities since this debt is repaid with taxes levied on all taxable property located within the City.
- (2) There is no legal debt limit for the City. Texas municipalities are not bound by any direct constitutional or statutory maximums as to the amount of obligation bonds which may be issued; however, all local bonds must be submitted to and approved by the State Attorney General. It is the established practice of the Attorney General not to approve a prospective bond issue if it will result in a tax levy for general bonded debt of over \$1.00 for cities under 5,000, or \$1.50 for cities over 5,000 population.

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| \$ 53,088,039 | \$ 54,222,332 | \$ 58,004,655 | \$ 67,819,226 | \$ 55,510,397 | \$ 87,202,846 |
| 4,281,817 | 3,937,268 | 6,418,845 | 5,450,041 | 4,710,885 | 21,999,518 |
| <u>\$ 48,806,222</u> | <u>\$ 50,285,064</u> | <u>\$ 51,585,810</u> | <u>\$ 62,369,185</u> | <u>\$ 50,799,512</u> | <u>\$ 65,203,328</u> |
| 8.07% | 7.26% | 11.07% | 8.04% | 8.49% | 25.23% |
| \$ 530,880,390 | \$ 542,223,320 | \$ 580,046,552 | \$ 678,192,261 | \$ 555,103,971 | \$ 872,028,463 |
| 53,088,039 | 54,222,332 | 58,004,655 | 67,819,226 | 55,510,397 | 87,202,846 |
| 5,222,064 | 4,644,410 | 6,509,385 | 5,844,501 | 5,183,618 | 22,356,552 |
| 940,247 | 707,142 | 90,540 | 394,460 | 472,733 | 357,034 |
| 4,281,817 | 3,937,268 | 6,418,845 | 5,450,041 | 4,710,885 | 21,999,518 |
| <u>\$ 48,806,222</u> | <u>\$ 50,285,064</u> | <u>\$ 51,585,810</u> | <u>\$ 62,369,185</u> | <u>\$ 50,799,512</u> | <u>\$ 65,203,328</u> |

CITY OF BEEVILLE, TEXAS

PLEDGED REVENUE COVERAGE

Last Ten Years

| Fiscal Year | Utility Revenue Bonds | | | | |
|----------------|-----------------------|---------------------------------|--|--|---------------------------|
| | | | Net | Average | |
| | Gross Revenue | Direct Operating Expenses | Revenue Available for Debt Service | Annual Debt Service Requirements | Times Debt Coverage |
| 2014 | \$ 7,241,938 | \$ 4,989,882 | \$ 2,252,056 | \$ 235,787 | 9.55 |
| 2015 | \$ 7,062,731 | \$ 5,305,882 | \$ 1,756,849 | \$ 231,086 | 7.60 |
| 2016 | \$ 6,437,705 | \$ 5,642,047 | \$ 795,658 | \$ 216,369 | 3.68 |
| 2017 | \$ 7,089,272 | \$ 5,877,198 | \$ 1,212,074 | \$ 666,334 | 1.82 |
| 2018 | \$ 7,849,129 | \$ 5,705,056 | \$ 2,144,073 | \$ 605,278 | 3.54 |
| 2019 | \$ 6,981,956 | \$ 5,848,528 | \$ 1,133,428 | \$ 612,850 | 1.85 |
| 2020 | \$ 7,485,034 | \$ 6,738,834 | \$ 746,200 | \$ 780,292 | 0.96 |
| 2021 | \$ 7,895,185 | \$ 7,293,860 | \$ 601,325 | \$ 831,928 | 0.72 |
| 2022 | \$ 10,248,026 | \$ 6,699,345 | \$ 3,548,681 | \$ 1,319,484 | 2.69 |
| 2023 | \$ 10,078,070 | \$ 6,562,511 | \$ 3,515,559 | \$ 1,342,021 | 2.62 |

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

"Gross Revenue" as used herein refers to all operating revenues and interest income of the Utility Fund. "Direct Operating Expenses" is defined as all operating expenses of the Utility Fund less interest expense, depreciation, and amortization.

SOURCE: City of Beeville

CITY OF BEEVILLE, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Years

| | (1) | (2) | (3) | (4) | (5) |
|--------------------|-------------------|------------------------|-----------------------------------|--------------------------|-------------------------------------|
| Fiscal Year | Population | Personal Income | Per Capita Personal Income | School Enrollment | Bee County Unemployment Rate |
| 2014 | 13,350 | \$ 209,608,350 | \$ 15,701 | 3,405 | 5.80% |
| 2015 | 13,303 | \$ 208,870,403 | \$ 15,701 | 3,403 | 6.40% |
| 2016 | 13,277 | \$ 219,189,993 | \$ 16,509 | 3,373 | 8.00% |
| 2017 | 12,904 | \$ 213,032,136 | \$ 16,509 | 3,335 | 6.10% |
| 2018 | 12,863 | \$ 212,355,267 | \$ 16,509 | 3,291 | 5.10% |
| 2019 | 12,793 | \$ 246,329,215 | \$ 19,255 | 3,305 | 4.40% |
| 2020 | 13,669 | \$ 265,028,241 | \$ 19,389 | 3,218 | 9.90% |
| 2021 | 13,641 | \$ 253,136,037 | \$ 18,557 | 3,141 | 6.50% |
| 2022 | 13,332 | \$ 243,802,284 | \$ 18,287 | 3,157 | 4.90% |
| 2023 | 13,200 | \$ 261,716,400 | \$ 19,827 | 3,097 | 4.30% |

Source:

- (1) <https://worldpopulationreview.com/us-cities/beeville-tx-population>
- (2) Census.gov did not have information available. Personal income is calculated by multiplying Per Capita Personal Income by Population.
- (3) City of Beeville Budget
- (4) https://nces.ed.gov/ccd/districtsearch/district_detail.asp?Search=2&ID2=4809720
- (5) <https://fred.stlouisfed.org/series/TXBEECSURN>

CITY OF BEEVILLE, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago*

| 2023 | | | 2014 | | |
|-----------------------------|-----------|---|----------------------|-----------|---|
| Employer | Employees | Percentage of Total Area Employment | Employer | Employees | Percentage of Total Area Employment |
| TDCJ- McConnell | 542 | 5.61% | TDCJ- Garza | 890 | 9.50% |
| Beeville ISD | 473 | 4.89% | TDCJ- McConnell | 542 | 5.79% |
| TDCJ- Garza | 401 | 4.15% | Beeville ISD | 528 | 5.64% |
| Christus Spohn Hospital | 310 | 3.21% | Coastal Bend College | 354 | 3.78% |
| Coastal Bend College | 232 | 2.40% | Bee County | 293 | 3.13% |
| Wal-Mart | 235 | 2.43% | Mathis ISD | 265 | 2.83% |
| H.E.B. Grocery | 220 | 2.28% | Wal-Mart | 235 | 2.51% |
| Bee County | 198 | 2.05% | City of Beeville | 125 | 1.33% |
| City of Beeville | 106 | 1.10% | Three Rivers ISD | 120 | 1.28% |
| Saint Mary's Charter School | 94 | 0.97% | Skidmore- Tynan ISD | 115 | 1.23% |
| | 2,811 | 29.07% | | 3,467 | 37.01% |

Note: 2014 list is based of the Bee County ACFR

Source: www.workintexas.com, local employers

CITY OF BEEVILLE, TEXAS
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Years

| Function/Program | Fiscal Year | | | | | | | | | |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| General government | | | | | | | | | | |
| City manager | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.75 |
| Main street | 2.50 | 3.00 | 3.00 | 3.00 | 2.50 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Information technology | - | - | - | - | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 1.00 |
| City secretary | 3.00 | 3.00 | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Finance | 5.58 | 6.00 | 6.00 | 5.25 | 4.50 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Development services | 4.00 | 3.00 | 3.50 | 3.50 | 2.00 | 3.00 | 2.00 | 3.00 | 4.00 | 4.75 |
| Public safety | | | | | | | | | | |
| Fire department | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Police | 31.50 | 35.00 | 35.00 | 35.00 | 36.00 | 34.00 | 34.00 | 32.00 | 32.00 | 29.00 |
| Municipal court | 3.00 | 3.00 | 3.00 | 2.50 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Animal control | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 3.50 | 3.50 | 4.00 | 3.00 |
| Culture and recreation | | | | | | | | | | |
| Parks maintenance | 10.00 | 10.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 10.00 | 10.00 | 8.00 |
| Swimming pool | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 1.75 | 3.25 | 2.25 |
| Golf course | 2.00 | 2.00 | 2.50 | 2.50 | 2.50 | 3.00 | 3.00 | 4.00 | 4.00 | 7.50 |
| Public works | | | | | | | | | | |
| Streets maintenance | 18.50 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 16.00 |
| Garage | 3.75 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 3.50 | 3.00 | 3.00 |
| Utility | | | | | | | | | | |
| Utility administration | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 3.00 | 3.00 | 3.00 |
| Water treatment | 8.00 | 10.00 | 10.00 | - | - | - | - | - | - | - |
| Utility maintenance & operations | 15.00 | 20.00 | 18.50 | 17.00 | 17.00 | 16.00 | 17.00 | 16.00 | 16.00 | 15.00 |
| Wastewater treatment | 7.00 | 9.00 | 8.50 | 9.00 | 9.00 | - | - | - | - | - |
| Total | <u>127.08</u> | <u>138.75</u> | <u>135.75</u> | <u>123.50</u> | <u>123.25</u> | <u>110.75</u> | <u>111.75</u> | <u>108.75</u> | <u>112.25</u> | <u>106.75</u> |

NOTE A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

CITY OF BEEVILLE, TEXAS
OPERATING INDICATORS BY FUNCTION
Last Ten Years

| Function/Program | Fiscal Year | | | |
|----------------------------|-------------|------------|-----------|------------|
| | 2014 | 2015 | 2016 | 2017 |
| General government | | | | |
| Permits/inspections issued | N/A | N/A | N/A | N/A |
| Health inspections | N/A | N/A | N/A | N/A |
| Public safety | | | | |
| Police | | | | |
| Physical arrests | 1,387 | 1,414 | 1,235 | 1,150 |
| Traffic violations | 2,137 | 1,515 | 643 | 726 |
| Fire | | | | |
| Total incidents | 409 | 483 | 487 | 697 |
| Animal control | | | | |
| Animal intakes | N/A | N/A | N/A | N/A |
| Animals claimed | N/A | N/A | N/A | N/A |
| Wildlife releases | N/A | N/A | N/A | N/A |
| Streets and highways | | | | |
| Street resurfacing (miles) | 4.85 | 6.37 | 3.29 | 3.29 |
| Water and wastewater | | | | |
| Water | | | | |
| Bills processed | 61,932 | 61,404 | 58,800 | 60,996 |
| System customers | 5,161 | 5,117 | 4,900 | 5,083 |
| Billed consumption | 11,130,050 | 10,357,911 | 2,655,480 | 10,498,783 |

SOURCE: City Departments

NOTE: Did not have a health inspector from 2020-2021.

N/A denotes information not available.

| Fiscal Year | | | | | |
|-------------|-----------|------------|-----------|-----------|------------|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| 1,080 | 1,176 | 1,176 | 1,200 | 1,200 | 1,200 |
| 180 | 396 | - | - | 120 | 240 |
| 863 | 694 | 540 | 669 | 648 | 609 |
| 452 | 2,913 | 2,065 | 2,930 | 3,557 | 4,871 |
| 612 | 432 | 600 | 612 | 660 | 496 |
| 1995 | 810 | 825 | 800 | 1000 | 1000 |
| 176 | 335 | 114 | 150 | 150 | 80 |
| 220 | 289 | 212 | 200 | 300 | 300 |
| 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 |
| 60,480 | 59,496 | 53,976 | 58,248 | 59,940 | 57,996 |
| 5,040 | 4,958 | 4,498 | 4,854 | 4,995 | 4,833 |
| 10,047,483 | 9,241,511 | 12,037,158 | 9,928,610 | 9,527,834 | 13,247,121 |

CITY OF BEEVILLE, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Years

| Function/Program | Fiscal Year | | | | | | | | | |
|-----------------------------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Public safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Animal control | | | | | | | | | | |
| Shelters | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public works | | | | | | | | | | |
| Streets | | | | | | | | | | |
| Streets paved (miles) | 81.2 | 81.2 | 81.2 | 81.2 | 81.2 | 81.2 | 81.2 | 81.2 | 81.2 | 81.2 |
| Parks and recreation | | | | | | | | | | |
| Parks | | | | | | | | | | |
| Acreage | 236 | 236 | 236 | 236 | 236 | 298 | 298 | 298 | 298 | 298 |
| Number of parks | 9 | 9 | 9 | 9 | 9 | 10 | 10 | 10 | 10 | 10 |
| Swimming polls | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Community centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Golf | | | | | | | | | | |
| Golf courses | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water and wastewater | | | | | | | | | | |
| Water | | | | | | | | | | |
| Storage capacity- million gallons | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 |

SOURCE: City Departments

