



**City of Texarkana, Texas**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended**  
**September 30, 2021**

**Prepared by City of Texarkana, Texas**  
**Finance Department**  
**Kristin Peeples, CPA, Chief Financial Officer**



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**Comprehensive Annual Financial Report**  
**Year Ended September 30, 2021**

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**Introductory Section**



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CITY OF

# TEXARKANA

220 TEXAS BOULEVARD TEXARKANA TEXAS 75501

TEXAS

Honorable Mayor and City Council,  
City Manager and Citizens of the  
City of Texarkana, Texas

The Annual Comprehensive Financial Report (ACFR) of the City of Texarkana, Texas (the City) for the fiscal year ended September 30, 2021, is submitted in accordance with State statutes. These statutes require that every general-purpose local government publish at the close of each fiscal year a complete set of audited financial statements.

The report is published to provide the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

FORVIS, LLP has issued unmodified opinions on the City of Texarkana, Texas financial statements for the year ended September 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of the Government**

The City of Texarkana, Texas (the City), incorporated in 1874, is located on the Texas – Arkansas state line in the northeast corner of the State of Texas. The City is 28 miles south of Oklahoma and 25 miles north of the Louisiana boundary line and it currently occupies a land area of 31.73 square miles and serves a population estimated at 36,733. The City is empowered to levy a property tax on real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City has operated under the council-manager form of government since 1960. Policy-making and legislative authority are vested in a governing council (Council) comprised of the mayor and six members, all elected on a non-partisan basis. Council members serve three-year staggered terms, with two members elected by ward every three years. The mayor is elected at large and serves a three-year term. The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney, and Municipal Judge. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The City provides a full range of services, including police, fire, streets and infrastructure, traffic engineering, parks, recreation, library, community development (planning and zoning), public improvements, tourism activities, and general administrative services. Water and sewer distribution and collection activities are provided by Texarkana, Texas water department in conjunction with the Texarkana, Arkansas water department, dba Texarkana Water Utilities (TWU). The Texas activity of TWU functions as a department of the City, and therefore has been included as an integral part of the City's financial statements.

The financial reporting entity (the government) includes all funds of the primary government (i.e., the City of Texarkana as legally defined), as well as all its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units are in substance, part of the primary government's operations, even though they are legally separate entities. The City reports the Texarkana Firemen's Relief and Retirement Fund, a blended component unit, as a fiduciary fund of the City with a December 31, 2020, year-end (most recent audit). Discretely presented component units are legally separate entities and not part of the primary government's operations. The Texarkana-Bowie County Family Health Center is included in the financial statements as a discretely presented component unit. The City also participates in joint ventures with Texarkana, Arkansas to operate the Texarkana Regional Airport and the Bi-State Justice Center. Other joint ventures include the Bowie Central Appraisal District, the Texarkana Metropolitan Planning Organization (MPO) and the Texarkana Urban Transit District (T-Line).

### **Local Economy**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The City and surrounding region are home to several industrial and manufacturing operations, including tire manufacturing, small arms ammunition, paper production, railroad tank car repair, cup and carton manufacturing, pipeline fittings, truck bodies, furniture, valves and couplings, military equipment repair and refurbishing, trucking, and petroleum marketing. Texarkana is also a regional medical center, with two (2) acute care hospitals, offering 675 beds, two (2) rehabilitation hospitals with 140 beds, a 15-bed geriatric psychiatric inpatient facility, and several mental health centers, ambulatory surgical centers, home health care organizations, nursing home centers, assisted living centers, and retirement communities.

The City's strategic location with the prospect of three (3) interstate highways in the area, a favorable climate, plentiful water supplies, and a good mix of manufacturing, agriculture, government, tourism, education, medical, retail trade and service centers should contribute to future growth and development for the foreseeable future. Current estimates indicate that approximately 80,000 vehicles use the area's interstate system.

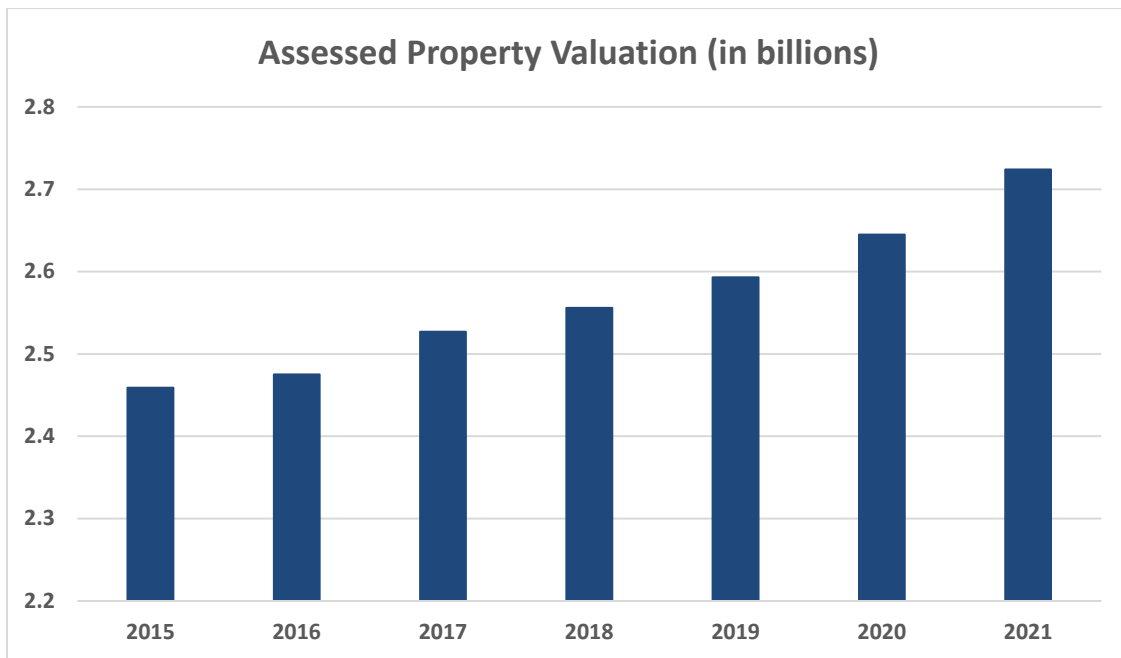
The City's primary and secondary education needs are served by three (3) public school districts, and four (4) other public-school districts that border the City, as well as several area private schools. Five (5) institutions of higher education provide services to the City. Texarkana College has more than 5,000 students enrolled; Texas A&M University-Texarkana expanded to a 4 year university in 2010, completed Bringle Lake Village, the first student housing on campus, in 2011 and currently serves approximately 2,000 students; the University of Arkansas for Medical Sciences Area Health Education Center provides higher education services in the area; and Southern Arkansas Tech, provides airframe and power plant training for 150 students at the airport; University of Arkansas – Texarkana is the City's newest institution of higher education, serving approximately 400 students in its new facility.

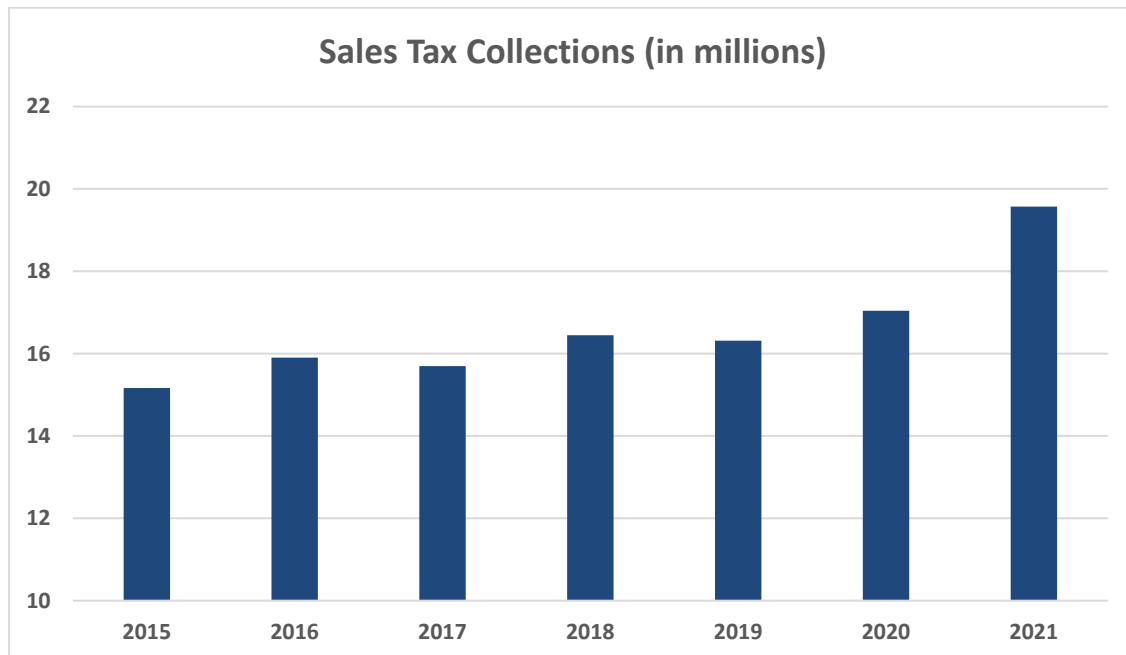
The City has a number of worthwhile attractions, including the only U.S. Post Office located in two states, which provides a unique photo opportunity at Photographer’s Island, the Scott Joplin Mural, the historic Perot Theatre, the Regional Arts Center, Discovery Place Children’s Museum and Texarkana Museum of Regional History, the Texarkana Symphony Orchestra, a municipal golf course designed by Jim Fazio, Jr. and managed by Hank Haney, and City parks that have hosted a number of district and state athletic tournaments. Noted attractions in the City’s parks system include: Splash Pad at Spring Lake Park, Kylee Sullivan Pet Safe Dog Park at Spring Lake Park and wilderness hiking and bike trails at Bringle Lake Park. Additionally, there are a multitude of outdoor activities available on one of many lakes and rivers in the region.

The City continues to see growth in residential and commercial construction. The construction value for permits issued in 2021 totaled \$6,443,400 for new non-residential projects, and \$2,718,600 for new residential projects.

Sales taxes and property taxes are responsible for a substantial portion of the City’s general fund operating revenue budget. In total, property tax revenue increased by \$527,602 (2.91%). Property tax revenue allocated to the general fund increased by \$754,308 (5.55%). Property tax revenue allocated to the debt service fund decreased by \$247,270 (6.29%) while property tax revenue allocated to the TIRZ #1 fund increased by \$20,564 (3.38%). Sales and other tax revenue increased by \$2,530,782 (14.85%).

Historical perspectives of major revenues are illustrated in the following graphs:





Unemployment in the City decreased to 5.7%, which was greater than the state rate of 5.1% and national rate of 4.7%

Unassigned fund balance in the general fund at September 30, 2021, is \$18,307,622 which represents 64% or 201 days of general fund expenditures and is above the reserve goal of sixty (60) days established by the City’s General Fund Balance Policy.

**Long-Term Financial Planning**

The City values long-term financial planning and has implemented the following processes to help control and accurately budget future expenditures:

- The budgeting process for the general fund captures five years of current and projected financial data.
- The Capital Replacement Fund continues to be successful at updating City vehicles and major equipment through a rolling replacement schedule.
- The Technology Fund also offers a replacement schedule that reflects average useful life and ensures continual updating of computer equipment for maximum performance.
- The Major Street Maintenance Fund continues to be successful at addressing city-wide street maintenance needs as they arise, rather than incurring additional costs by delaying projects until future dates.

**Relevant Financial Policies**

The City’s financial policies set forth the basic framework for the fiscal management of the City. These include policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, and fund balance/reserve levels. These policies were developed within the parameters established by applicable provisions of the Texas Local Government Code and the City of Texarkana, Texas City Charter. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

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

The annual budget serves as the foundation for the City's financial planning and control. All agencies of the City are required to submit requests for appropriation to the City Manager. The City Manager provides a budget development calendar to the City Council for review and approval. After the calendar is approved a proposed budget is prepared and adopted by the City Council by a majority vote prior to the end of the fiscal year. The City Manager may transfer unencumbered appropriated balances between general classifications of expenditures within and/or across any office, department or agency of the City. The City Manager may submit request for budget amendments at any time provided the total city budget remains balanced (Unassigned Fund Balance may be designated as revenue). Amendments are also approved by a majority vote of the City Council.

### **Major Initiatives**

Most of the growth in the City continues to occur along and north of the I-30 corridor, although South of I-30 continues to develop as well. New development should continue to strengthen growth in the City's property tax base and other tax collections, which comprise around eighty-nine percent (89%) of the City's General Fund operating revenues.

The City also has two (2) Tax Increment Reinvestment Zones (TIRZ) within its boundaries. The first operates in an area that begins on the south side of I-30 and extends north along the University Avenue Corridor to include the proposed University overlay district. The second runs from Texas Boulevard at State Line Avenue through the downtown area. Future incremental tax increases to existing properties and new properties in these districts are projected to provide funding for needed infrastructure projects within these areas without an additional tax burden to our citizens. Funding of both districts began on October 1, 2010. The first TIRZ bond was issued in 2012, with a second bond issued in 2019. Several potential infrastructure projects within the district have been approved by the TIRZ board. Future debt service payments on the bonds are expected to be funded by property tax revenues collected from new developments within the district.

A portion of gas and electric franchise fees are allocated to the City's Economic Development Fund to be used for the future economic development projects and activities and to provide incentives for potential projects that would bring jobs and revenue growth to the area. The City continues to pursue economic development projects and assistance is also provided in the form of revolving loan programs.

The City collects hotel occupancy tax revenue at a rate of seven percent. This revenue is used to fund the operation and debt service of the Texarkana Convention Center and various other organizations that enhance and promote tourism in Texarkana.

The South Regional Wastewater Treatment Plant (SRWWTP) is the main wastewater treatment facility for both sides of town. An initial ten-year plan was developed in 2018 to prioritize and schedule out needed upgrades and improvements at this facility. Both the Arkansas and Texas Utilities make annual revenue contributions to the joint SRWWTP depreciation account to provide funding for the identified expenditures. The current water treatment plant located on New Boston Road is over forty (40) years old; and the plant, along with aging intake and distribution facilities, are co-owned by the City and other municipalities. Riverbend Water Resources District, of which Texarkana is a founding statutory member, has submitted and received approval for funding from the Texas Water Development Board for planned improvements which would include construction of a new intake and new treatment facility to be owned

and operated by Riverbend. With the participation of Texarkana and other area cities and water supply corporations, Riverbend has developed long-term supply contracts with its Member Entities for defeasance of bonds issued for planned improvements, including construction of a new intake and treatment plant and decommissioning of aging infrastructure, and purchase of water treated from the new treatment plant. Texas Commission on Environmental Quality approved an amendment to Texarkana's Certificate of Adjudication authorizing raw water diversion anywhere along the perimeter of Lake Wright Patman, which now enables relocating the raw water intake to a point anywhere along the lake. An engineering study has been commissioned by Riverbend to identify the existing portions of the distribution system that will be required for continued use and the portions, such as the aging intake and treatment plant, to be decommissioned. This is a matter of vital importance to all water users in the region, and any resulting decisions will only result upon Riverbend receiving necessary funding and the governing bodies of participating entities approving long-term supply contracts.

The City continues to promote neighborhood revitalization through neighborhood cleanup initiatives and the demolition of substandard properties. Demolition efforts are concentrated in specific neighborhoods with the goal of revitalizing an entire neighborhood.

### **Awards and Acknowledgements**

**Awards.** The City received the GFOA's Award for Distinguished Budget Presentation for its annual budget document for the fiscal year ended September 30, 2021, which marks the sixth consecutive year that the City has received this award. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

**Acknowledgments.** The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and our independent auditors. I would like to express my appreciation to those persons who made possible the publication of this report. Credit must also be given to the City Manager, Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Texarkana, Texas finances.

Respectfully submitted,



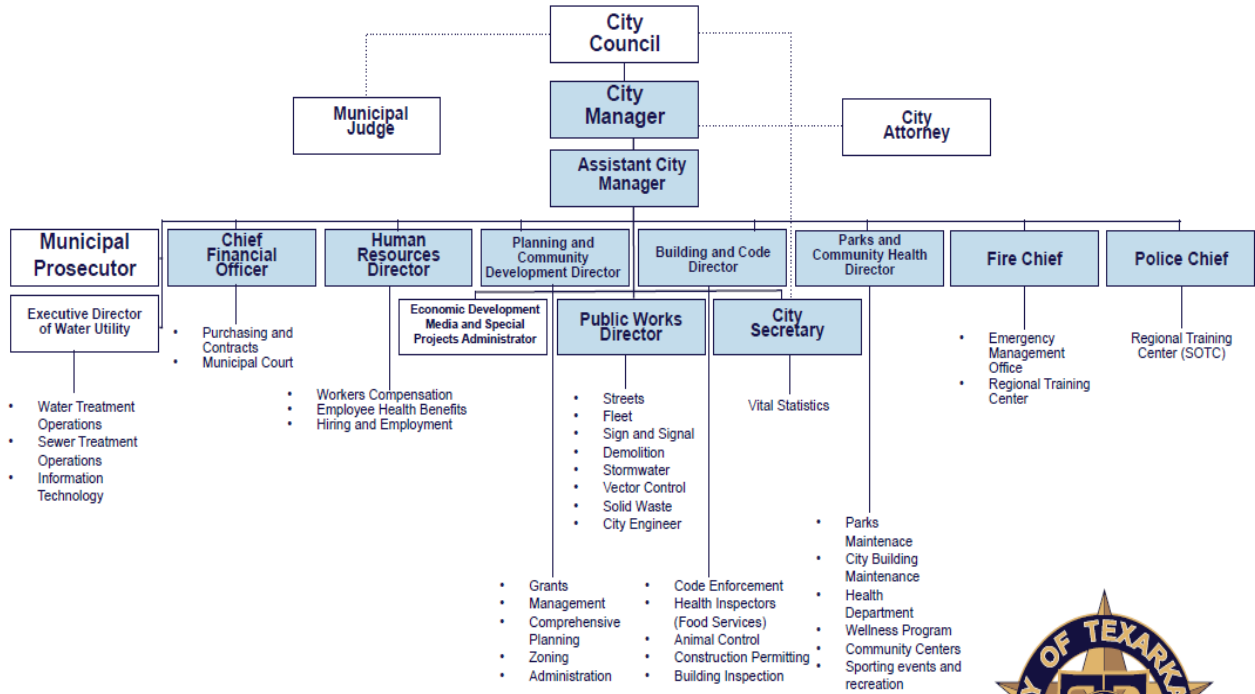
Kristin Peebles, CPA  
Chief Financial Officer

March 21, 2023

# City of Texarkana, Texas

## Organization Chart

### Year Ended September 30, 2021



**City of Texarkana, Texas**  
**List of Principal Officials**  
**Year Ended September 30, 2021**

**CITY COUNCIL**

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**BOB BRUGGEMAN**  
Mayor

**JEAN H. MATLOCK**  
Councilmember, Ward 1

**MARY HART**  
Councilmember, Ward 2

**BETTY WILLIAMS**  
Councilmember, Ward 3

**CHRISTIE PAGE**  
Councilmember, Ward 4

**WILLIAM HARP**  
Councilmember, Ward 5

**JAY DAVIS**  
Councilmember, Ward 6

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**DAVID ORR**  
City Manager

**KRISTIN PEEPLES, CPA**  
Chief Financial Officer

**JENNIFER EVANS**  
City Secretary

## Independent Auditor's Report

Members of the City Council and  
Honorable Bob Bruggeman, Mayor  
City of Texarkana, Texas

### Report on the Financial Statements

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Texarkana Fireman's Relief and Retirement Fund, a pension trust fund of the City, which represent 67.6 percent, 74.0 percent and 31.8 percent, respectively, of the assets, net position and revenues of the aggregate remaining fund information. We also did not audit the financial statements of the Texarkana Airport Authority or Texarkana Urban Transit District, joint ventures of the City, which represents approximately 9.5 percent of the assets and 18.8 percent of net position of the governmental activities of the City. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for such entities, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Texarkana Fireman's Relief and Retirement Fund, a pension trust fund of the City, included in the financial statement of the aggregate remaining fund information, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general, TIRZ #1, and American Rescue Plan Grant funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Members of the City Council and  
Honorable Bob Bruggeman, Mayor  
City of Texarkana, Texas  
Page 3

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we also have issued our report dated March 21, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

**FORVIS, LLP**

Rogers, Arkansas  
March 21, 2023



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Texarkana, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$187,176,898 (net position). Of this amount, \$149,612,321 (80%) is invested in capital assets which do not directly generate revenue and is not available to generate liquid capital. Net position restricted for specific purposes total \$11,993,615 (6%). The remaining \$25,570,962 (14%) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$18,447,445 during this fiscal year. The change in net position from operations of governmental activities increased by \$16,711,624 while the change in net position from operations of business-type activities increased by \$1,735,821.
- Unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors, increased by \$17,537,652.
- At the close of the current fiscal year, the City's governmental funds reported ending fund balances of \$43,653,647, an increase of \$7,882,799 from last year. \$16,777,733 of this amount or 38% of the total fund balance is available for spending at the City's discretion (unassigned fund balance).
- Within the combined governmental fund balances, \$3,412,246 is non-spendable. Another \$11,431,092 is restricted, \$1,931,875 is committed, and \$10,100,701 is assigned. Total unassigned fund balance for the general fund is \$18,307,622 and is equal to 64% of general fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four 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.

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

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

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate health center for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 21-23 of this report.

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

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government 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 a government's near-term financing requirements.

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

The City maintains thirty-nine (39) governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service Fund, TIRZ #1 Fund, and American Rescue Plan Grant Fund, all of which are considered to be major funds. Data from the other thirty-five (35) funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all required governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found on pages 24-30 of this report.

**Proprietary Funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its employee insurance programs and fleet services. Because each of these services predominately benefits governmental rather than business-type functions, they have primarily been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Texarkana, Texas Water Utilities (TWU), which is considered to be a major fund of the City. Data from the other two (2) enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is presented in the form of combining statements elsewhere in this report. The internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 31-36 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Texarkana, Texas' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 37-38 of this report.

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

The notes to the financial statements can be found on pages 39-95 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment (OPEB) benefits to its employees.

This required supplementary information regarding pension and OPEB benefits may be found on pages 96-105 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds and internal service funds are presented following the required supplementary information on pensions.

Combining and individual statements and schedules can be found on pages 111-158 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Texarkana, Texas, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$187,176,898 as of September 30, 2021. The largest portion of the City's net position (\$149,612,321 or 80%), reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, infrastructure, and construction in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### CITY OF TEXARKANA, TEXAS' NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 70,124,639	\$ 58,610,615	\$ 23,078,343	\$ 22,579,539	\$ 93,202,982	\$ 81,190,154
Capital assets	131,162,833	130,844,392	61,396,528	63,146,553	192,559,361	193,990,945
Total assets	<u>201,287,472</u>	<u>189,455,007</u>	<u>84,474,871</u>	<u>85,726,092</u>	<u>285,762,343</u>	<u>275,181,099</u>
Deferred outflows of resources	6,681,946	7,477,566	717,755	702,004	7,399,701	8,179,570
Long-term liabilities	79,587,226	87,469,370	8,281,251	9,254,406	87,868,477	96,723,776
Other liabilities	4,343,845	3,614,717	3,743,205	5,611,034	8,087,050	9,225,751
Total liabilities	<u>83,931,071</u>	<u>91,084,087</u>	<u>12,024,456</u>	<u>14,865,440</u>	<u>95,955,527</u>	<u>105,949,527</u>
Deferred inflows of resources	8,331,508	6,625,763	1,698,110	2,055,925	10,029,618	8,681,688
Net position						
Net invested in capital assets	91,545,250	91,034,859	58,067,071	58,690,456	149,612,321	149,725,315
Restricted	11,993,615	10,970,829	-	-	11,993,615	10,970,829
Unrestricted	12,167,974	(2,782,965)	13,402,989	10,816,275	25,570,963	8,033,310
Total net position	<u>\$ 115,706,839</u>	<u>\$ 99,222,723</u>	<u>\$ 71,470,060</u>	<u>\$ 69,506,731</u>	<u>\$ 187,176,899</u>	<u>\$ 168,729,454</u>

An additional portion of the City's net position of \$11,993,615 (6%) represents resources that are subject to external restrictions on their usage. All restricted assets of the City relating to both governmental activities and business-type activities are being held for purposes established by state and local laws, future construction, and debt service reserve requirements on the City's outstanding debt. The remaining balance of unrestricted net position in the amount of \$25,570,962 (14%) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, for the government as a whole.

## Governmental Activities:

Governmental activities increased the City's net position by \$16,711,624. Total revenue for the governmental activities (excluding transfers) increased from the previous year by \$10,871,754. General revenues had a net increase of \$3,025,536.

## Business Type Activities:

Net position from business-type activities increased by \$1,735,821. Total revenue for the business-type activities increased from the previous year by \$807,870 primarily due to an increase in demand for water.

### CITY OF TEXARKANA, TEXAS' CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 2,830,375	\$ 2,589,661	\$ 17,406,402	\$ 16,792,121	\$ 20,236,777	\$ 19,381,782
Operating grants and contributions	7,326,527	4,423,031	-	-	7,326,527	4,423,031
Capital grants and contributions	-	-	388,847	3,932	388,847	3,932
General revenues						
Property taxes	17,851,383	17,867,578	-	-	17,851,383	17,867,578
Other taxes	23,127,339	20,152,402	-	-	23,127,339	20,152,402
Other revenue	6,211,882	1,443,081	3,588,076	3,779,402	9,799,958	5,222,483
Total revenue	<u>57,347,506</u>	<u>46,475,753</u>	<u>21,383,325</u>	<u>20,575,455</u>	<u>78,730,831</u>	<u>67,051,208</u>
Expenses:						
General government	7,325,779	9,158,444	-	-	7,325,779	9,158,444
Public safety	12,524,376	17,727,452	-	-	12,524,376	17,727,452
Public works	10,106,568	9,708,732	-	-	10,106,568	9,708,732
Parks and recreation	3,714,985	3,596,959	-	-	3,714,985	3,596,959
Health and welfare	5,715,591	882,349	-	-	5,715,591	882,349
Interest on long-term debt	1,248,583	1,682,347	-	-	1,248,583	1,682,347
Water and sewer	-	-	19,647,503	20,626,724	19,647,503	20,626,724
Total expenses	<u>40,635,882</u>	<u>42,756,283</u>	<u>19,647,503</u>	<u>20,626,724</u>	<u>60,283,386</u>	<u>63,383,007</u>
Change in net position						
before transfers	16,711,624	3,719,470	1,735,821	(51,269)	18,447,445	3,668,201
Transfers	<u>(227,508)</u>	<u>(634,799)</u>	<u>227,508</u>	<u>634,799</u>	<u>-</u>	<u>-</u>
Change in net position	<u>16,484,116</u>	<u>3,084,671</u>	<u>1,963,329</u>	<u>583,530</u>	<u>18,447,445</u>	<u>3,668,201</u>
Beginning net position	<u>99,222,723</u>	<u>96,138,052</u>	<u>69,506,731</u>	<u>68,923,201</u>	<u>168,729,454</u>	<u>165,061,253</u>
Ending net position	<u>\$ 115,706,839</u>	<u>\$ 99,222,723</u>	<u>\$ 71,470,060</u>	<u>\$ 69,506,731</u>	<u>\$ 187,176,899</u>	<u>\$ 168,729,454</u>

## Total Statement of Activities

The total result of the City's activity is an increase in total net position of \$18,447,445 during the current fiscal year. Net position, before transfers, related to business-type activities increased by \$1,735,821, and net position before transfers from governmental activities increased by \$16,711,624. Additional related information may be found in the governmental activities section on pages 24-27 of this report.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$43,653,647 an increase of \$7,882,799, in comparison with the prior year. This increase is related to increased revenue from property and other tax revenue along with funding received from the American Rescue Plan Grant.

The General Fund is the chief operating fund of the City of Texarkana, Texas. At the end of the current fiscal year, the unassigned fund balance was \$18,307,622 while the total fund balance was \$27,656,505. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balances to total fund expenditures. Unassigned fund balances represent 64% of the total General Fund expenditures, while total fund balance represents 97% of that same amount.

The Debt Service Fund is considered a major governmental fund of the City this year, and, accordingly is presented separately in this year's report. This fund ended the fiscal year with a fund balance of \$349,310. The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs of all the City's long-term general obligation debt. The fund expended \$4,978,312 in debt payments during this fiscal year, a decrease of \$364,237 in normal debt service expenditures from last year.

The TIRZ #1 Fund is considered a major governmental fund of the City this year, and accordingly is presented separately in this year's report. This fund ended the fiscal year with a fund balance of \$2,814,729 due to property tax revenue collected in excess of expenditures for infrastructure projects and debt service payments.

The American Rescue Plan Grant Fund is considered a major governmental fund of the City this year, and accordingly is presented separately in this year's report. This fund ended the fiscal year with a deficit fund balance of \$264,689 as a result of revenue deferred at year end and collected subsequently in the next fiscal year.

The other governmental funds of the City include special revenue funds and capital project funds. At the end of the 2021 fiscal year, the City had combined ending fund balances in its special revenue funds of \$8,229,349, an increase in fund balance of \$3,048,932 due to total revenue for special revenue funds of \$6,051,219 offset by expenditures of \$2,783,699 and net other financial uses of (\$218,588).

At the end of fiscal year 2021 the City had a total of three (3) capital project funds included in other governmental funds, with total fund balances of \$4,868,436, a decrease of \$3,796,126 from last year. These funds are all reserved for street maintenance projects, park improvements, and other miscellaneous capital projects.

**Enterprise funds** - The City's enterprise funds, primarily the Texarkana Water Utilities system, provide the same type of information found in the governmental-wide financial statements, but in more detail.

Unrestricted net position for business type activities at the end of fiscal year 2021 was \$13,402,989, which was an increase of \$2,586,714 from 2020. The decrease in investments in capital assets for the year of \$623,385 was funded by several accounts including Capital Improvement, Infrastructure, Depreciation, Technology, Equipment, and Composting.

**Internal service funds** - The City uses two (2) internal service funds. The combined net position in these funds at the end of the fiscal year was \$1,187,845, a decrease from last year of \$414,477 (34%). The Employee Benefit Fund accounts for contributions received from other City funds and employees to pay medical benefits and life insurance premiums. Net position in the fund decreased by \$408,706, due to claims paid in excess of premiums received and investment earnings. The Fleet Services Fund accounts for repair and maintenance on all City vehicles, excluding TWU. Net position in the fund decreased by \$5,771, due to expenses and transfers out of \$1,259,994 in excess of revenue and transfers in of \$1,253,955.

**Fiduciary funds** - The City also maintains three (3) Fiduciary Funds. The Firemen's Relief Pension Trust Fund accounts for retirement contributions made by the City's firefighters, and contributions made on their behalf by the City. The fund's net position increased by \$4,514,714 for the calendar year of 2020 due primarily to market performance and net position totaled \$40,917,203. The two remaining fiduciary funds are custodial funds. The Drug Enforcement Fund accounts for evidence money seized by the Police Department and holds these funds until final disposition is directed by the courts. This fund had no net position at the end of the fiscal year. The Police Evidence Fund accounts for all funds seized by the Police Department during its apprehension of suspects and subsequent case investigations. Net position at the end of the fiscal year for this fund was \$87,995.

### **General Fund Budgetary Highlights**

The change in projected ending fund balance between the original budget and final amended budget totaled a \$4,143,258 increase. Revised revenues for the General Fund were projected to increase by \$2,468,142. Revised expenditures for the General Fund were projected to decrease by \$1,789,915 and other financing uses were projected to increase by \$114,799.

The difference between the final amended budgeted fund balance and the actual fund balance was an increase of \$5,714,819. Total revenue in the General Fund was \$1,296,205 more than the revised budget. Expenditures for the General Fund were \$4,316,594 less than the revised budget and other financing uses were \$102,020 less than the revised budget.

### **TIRZ #1 Fund Budgetary Highlights**

The difference between the final amended budgeted fund balance and the actual fund balance was an decrease of \$189,072. Total revenue in the Emergency Management Fund was \$156,454 less than the revised budget. Expenditures for the Emergency Management Fund was \$34,618 more than the revised budget and other financing uses were \$2,000 less than the revised budget.

### **Capital Assets and Debt Administration**

**Capital assets** – The City's investment in total capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$192,559,361 (net of accumulated depreciation), compared to \$193,990,945 in 2020, a decrease of \$1,431,584. Investment in capital assets related to governmental activities of \$131,162,833 increased by \$318,441, and includes land, buildings, improvements, machinery and equipment, licensed vehicles, infrastructure and construction in progress. Investment in capital assets related to business-type activities ended the year at \$61,396,528, a decrease of \$1,750,025, reflecting the net of additions and disposals of various capital assets and charges for depreciation expense.

**CITY OF TEXARKANA, TEXAS' CAPITAL ASSETS**  
**(Net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 12,206,878	\$ 12,206,878	\$ 1,445,666	\$ 1,447,826	\$ 13,652,544	\$ 13,654,704
Buildings	13,118,514	13,817,673	735,793	804,308	13,854,307	14,621,981
Improvements other than buildings	3,104,370	3,359,293	47,203,291	47,420,874	50,307,661	50,780,167
Machinery and equipment	4,878,463	5,107,926	1,927,604	2,302,656	6,806,067	7,410,582
Licensed vehicles	4,581,168	3,488,113	-	-	4,581,168	3,488,113
Infrastructure	86,375,579	88,215,000	-	-	86,375,579	88,215,000
Construction in progress	6,897,861	4,649,509	3,694,821	5,109,898	10,592,682	9,759,407
Property under capital lease	-	-	6,389,353	6,060,991	6,389,353	6,060,991
Total capital assets	<u>\$ 131,162,833</u>	<u>\$ 130,844,392</u>	<u>\$ 61,396,528</u>	<u>\$ 63,146,553</u>	<u>\$ 192,559,361</u>	<u>\$ 193,990,945</u>

Additional information on the City's capital assets can be found in *Note 5* in this report on pages 58-60.

**Long-term obligations**

At the end of the current fiscal year the City of Texarkana, Texas had total long-term obligations outstanding of \$87,868,477. Of this amount, \$83,250,525 comprises long-term obligations backed by the full faith and credit of the City. The remainder of the City's long-term obligations is secured by specified revenue sources. At the end of fiscal year 2021, this amount was \$4,617,952.

**OUTSTANDING LONG-TERM OBLIGATIONS AT YEAR END**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 22,405,206	\$ 25,057,775	\$ -	\$ -	\$ 22,405,206	\$ 25,057,775
Revenue bonds	-	-	1,846,142	2,124,277	1,846,142	2,124,277
Certificates of obligation	22,083,698	23,235,139	-	-	22,083,698	23,235,139
Capital leases	239,485	456,623	2,305,325	2,511,391	2,544,810	2,968,014
Notes payable	227,000	663,110	-	-	227,000	663,110
Accrued compensated absences	5,092,395	4,891,804	421,000	440,137	5,513,395	5,331,941
Net pension and other post employment liabilities	29,539,442	33,164,919	3,708,784	4,178,601	33,248,226	37,343,520
Total	<u>\$ 79,587,226</u>	<u>\$ 87,469,370</u>	<u>\$ 8,281,251</u>	<u>\$ 9,254,406</u>	<u>\$ 87,868,477</u>	<u>\$ 96,723,776</u>

The City's total debt decreased by \$8,855,299 (9.2%) during the current fiscal year. This decrease is due to a decrease in certificates of obligation and capital leases combined with a decrease in the City's net pension liability during the current fiscal year.

The City's General Obligation, Certificates of Obligation, and Revenue bond ratings are listed below:

***Standard & Poors***

General Obligation Bonds	AA-
Certificates of Obligation	AA-
Revenue Bonds	A+

State statutes limit the total property tax rate to \$2.50 per \$100 assessed valuation. The City's local property tax rate for this fiscal year was \$.70000 per \$100 assessed valuation of which \$.1377 per \$100 was for annual debt service.

Additional information on the City's long-term debt can be found in *Notes 10-12* on pages 64-70 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The unemployment rate for the City as of the fiscal year end was 5.7, compared to 8.0 last year. This rate is slightly higher than the State and National rate of 5.6 and 4.8, respectively.

Sales tax collections are projected to comprise about forty seven percent (47%) of the City's proposed General Fund budget for the 2022 fiscal year, while property tax revenue is estimated to account for approximately thirty eight percent (36%). The certified tax roll of \$2,801,452,137 increased just under three percent (2.49%) from the prior year's official tax roll.

The City Council has elected to decrease the property tax rate to 0.65 per \$100 valuation for the 2022 fiscal year. The proposed budget for the 2022 fiscal year will not raise more revenue from property taxes than last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$58,401.

The ending unassigned General Fund balance is projected to be approximately 131 days of budgeted reoccurring General Fund expenditures.

The Texas Revenue Fund of TWU is projected to end the 2020-2021 budget year with a balance of \$1,478,359 or approximately 23 days of total budgeted expenditures.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Texarkana, Texas' finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Texarkana, Texas, Finance Department, Attn: Chief Financial Officer, P.O. Box 1967, Texarkana, Texas 75504.



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## **Basic Financial Statements**

**City of Texarkana, Texas**  
**Statement of Net Position**  
**September 30, 2021**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Health
<b>ASSETS</b>				
Cash	\$ 39,742,279	\$ 15,660,605	\$ 55,402,884	\$ 828,000
Investments				
Certificates of deposit	1,000	1,469,936	1,470,936	-
Receivables (net of allowance for uncollectibles)				
Property taxes	958,391	-	958,391	-
Other taxes	440,029	-	440,029	-
Accounts	336,851	2,206,905	2,543,756	-
Other government agencies	5,956,277	314,549	6,270,826	303,958
Accrued interest	140,145	4,403	144,548	-
Loans	3,412,246	-	3,412,246	-
Due from primary government	-	-	-	7,723
Internal balances	7,679	(7,703)	(24)	-
Inventory	13,646	550,530	564,176	-
Prepaid items	-	79,791	79,791	-
Net investment in direct financing lease	-	14,837	14,837	-
Restricted assets				
Cash	-	189,892	189,892	-
Investments	-	700,000	700,000	-
Accrued interest	-	26,959	26,959	-
Accounts receivable	-	291,325	291,325	-
Prepaid capital improvement deposits	-	1,349,384	1,349,384	-
Net investment in direct financing lease	-	226,930	226,930	-
Investments in joint venture	19,116,096	-	19,116,096	-
Capital assets (net of accumulated depreciation)				
Land	12,206,878	1,445,666	13,652,544	-
Buildings	13,118,514	735,793	13,854,307	253,286
Improvements other than buildings	3,104,370	47,203,291	50,307,661	-
Infrastructure	86,375,579	-	86,375,579	-
Machinery and equipment	4,878,463	1,927,604	6,806,067	73,869
Licensed vehicles	4,581,168	-	4,581,168	-
Property under capital leases	-	6,389,353	6,389,353	-
Construction in progress	6,897,861	3,694,821	10,592,682	-
<b>TOTAL ASSETS</b>	<u>201,287,472</u>	<u>84,474,871</u>	<u>285,762,343</u>	<u>1,466,836</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows from pensions	3,883,929	661,610	4,545,539	-
Deferred outflows from other post employment benefits	2,247,461	56,145	2,303,606	-
Deferred charge on refunding	550,556	-	550,556	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 6,681,946</u>	<u>\$ 717,755</u>	<u>\$ 7,399,701</u>	<u>\$ -</u>

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Health
<b>LIABILITIES</b>				
Accounts payable	\$ 1,061,447	\$ 1,063,621	\$ 2,125,068	\$ 48,767
Contracts payable	244,949	-	244,949	-
Accrued liabilities	1,212,251	253,479	1,465,730	30,308
Due to other governments	258,536	-	258,536	-
Due to component unit	7,723	-	7,723	-
Unearned revenue	1,558,939	-	1,558,939	-
Accrued interest payable from restricted assets	-	10,843	10,843	-
Customer deposits	-	734,467	734,467	-
Capital improvement deposits	-	1,497,340	1,497,340	-
Other liabilities and escrow deposits	-	183,455	183,455	-
Long-term liabilities				
Due within one year				
Bonds payable	2,610,000	280,000	2,890,000	-
Certificates of obligation	1,150,000	-	1,150,000	-
Obligations under capital leases	198,776	754,395	953,171	-
Accrued compensated absences	359,124	55,453	414,577	-
Due in more than one year:				
Net pension liabilities	12,547,876	2,771,453	15,319,329	-
Net other postemployment liabilities	16,991,566	937,331	17,928,897	-
Bonds payable	19,795,206	1,566,142	21,361,348	-
Certificates of obligation	20,933,698	-	20,933,698	-
Notes payable	227,000	-	227,000	-
Obligations under capital leases	40,709	1,550,930	1,591,639	-
Accrued compensated absences	4,733,271	365,547	5,098,818	-
<b>TOTAL LIABILITIES</b>	<b>83,931,071</b>	<b>12,024,456</b>	<b>95,955,527</b>	<b>79,075</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows from pension	7,809,565	867,429	8,676,994	-
Deferred inflows from other post employment benefits	441,168	830,681	1,271,849	-
Gain on refunding	80,775	-	80,775	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>8,331,508</b>	<b>1,698,110</b>	<b>10,029,618</b>	<b>-</b>
<b>NET POSITION</b>				
Net invested in capital assets	91,545,250	58,067,071	149,612,321	327,155
Restricted for:				
Court security and technology	433,760	-	433,760	-
Law enforcement	436,051	-	436,051	-
Health and welfare	1,779,775	-	1,779,775	1,060,606
Public safety radio	183,977	-	183,977	-
Tourism	528,789	-	528,789	-
Debt service	948,098	-	948,098	-
Tax Increment Reinvestment Zone	7,683,165	-	7,683,165	-
Unrestricted	12,167,974	13,402,989	25,570,963	-
<b>TOTAL NET POSITION</b>	<b>\$ 115,706,839</b>	<b>\$ 71,470,060</b>	<b>\$ 187,176,899</b>	<b>\$ 1,387,761</b>



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**City of Texarkana, Texas**  
**Statement of Activities**  
**Year Ended September 30, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	Health
<b>Primary Government</b>								
Governmental activities								
General government	\$ 7,325,779	\$ 637,597	\$ 2,854,538	\$ -	\$ (3,833,644)	\$ -	\$ (3,833,644)	\$ -
Public safety	12,524,376	1,473,903	3,004,398	-	(8,046,075)	-	(8,046,075)	-
Public works	10,106,568	302,974	770,595	-	(9,033,000)	-	(9,033,000)	-
Parks and recreation	3,714,985	194,451	64,789	-	(3,455,745)	-	(3,455,745)	-
Health and welfare	5,715,591	221,450	632,208	-	(4,861,933)	-	(4,861,933)	-
Interest on long-term debt	1,248,583	-	-	-	(1,248,583)	-	(1,248,583)	-
Total governmental activities	<u>40,635,882</u>	<u>2,830,375</u>	<u>7,326,527</u>	<u>-</u>	<u>(30,478,980)</u>	<u>-</u>	<u>(30,478,980)</u>	<u>-</u>
Business-type activities								
Water and sewer	19,647,503	17,406,402	-	388,847	-	(1,852,254)	(1,852,254)	-
Total business-type activities	<u>19,647,503</u>	<u>17,406,402</u>	<u>-</u>	<u>388,847</u>	<u>-</u>	<u>(1,852,254)</u>	<u>(1,852,254)</u>	<u>-</u>
Total primary government	<u>60,283,386</u>	<u>20,236,777</u>	<u>7,326,527</u>	<u>388,847</u>	<u>(30,478,980)</u>	<u>(1,852,254)</u>	<u>(32,331,235)</u>	<u>-</u>
<b>Component Unit</b>								
Component unit – Health	930,028	208,922	866,360	-				145,254
Total component unit	<u>\$ 930,028</u>	<u>\$ 208,922</u>	<u>\$ 866,360</u>	<u>\$ -</u>				<u>145,254</u>
			<b>General Revenues</b>					
			Property taxes		17,851,383	-	17,851,383	-
			Sales taxes		19,464,684	-	19,464,684	-
			Franchise taxes		1,733,108	-	1,733,108	-
			Other taxes		1,929,547	-	1,929,547	-
			Unrestricted investment earnings		435,052	117,484	552,536	7,540
			Miscellaneous		1,074,821	3,470,592	4,545,413	-
			Intergovernmental		4,702,009	-	4,702,009	-
			Transfers		(227,508)	227,508	-	-
					<u>46,963,096</u>	<u>3,815,584</u>	<u>50,778,680</u>	<u>7,540</u>
					<u>16,484,116</u>	<u>1,963,329</u>	<u>18,447,445</u>	<u>152,794</u>
					<u>99,222,723</u>	<u>69,506,731</u>	<u>168,729,454</u>	<u>1,234,967</u>
					<u>\$ 115,706,839</u>	<u>\$ 71,470,060</u>	<u>\$ 187,176,899</u>	<u>\$ 1,387,761</u>

**City of Texarkana, Texas**  
**Balance Sheet – Governmental Funds**  
**September 30, 2021**

	General	Debt Service	TIRZ #1	American Rescue Plan Grant	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 20,084,089	\$ -	\$ 3,419,805	4,702,299	\$ 10,751,352	\$ 38,957,545
Investments						
Certificates of deposit	1,000	-	-	-	-	1,000
Receivables (net of allowance for uncollectible)						
Property taxes	731,732	188,515	38,144	-	-	958,391
Other taxes	251,186	-	-	-	188,843	440,029
Accounts	40,988	26,404	-	-	54,051	121,443
Other government agencies	3,954,247	-	612,108	264,689	511,322	5,342,366
Accrued interest	11,512	-	-	-	128,633	140,145
Loans	-	-	-	-	3,412,246	3,412,246
Due from other funds	5,490,746	801,469	36,376	-	1,227,409	7,556,000
<b>TOTAL ASSETS</b>	<u>\$ 30,565,500</u>	<u>\$ 1,016,388</u>	<u>\$ 4,106,433</u>	<u>\$ 4,966,988</u>	<u>\$ 16,273,856</u>	<u>\$ 56,929,165</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 635,129	\$ 635,129
Contracts payable	-	-	35,119	-	209,830	244,949
Accrued payroll	946,124	-	-	-	279	946,403
Due to other governments	248,536	-	-	-	10,000	258,536
Due to other funds	42,093	661	846,007	4,966,698	1,700,541	7,556,000
Other liabilities and escrow deposits	862,793	486,938	-	290	208,918	1,558,939
<b>TOTAL LIABILITIES</b>	<u>2,099,546</u>	<u>487,599</u>	<u>881,126</u>	<u>4,966,988</u>	<u>2,764,697</u>	<u>11,199,956</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue – charges for services	794,706	-	-	-	-	794,706
Unavailable revenue – property taxes	-	179,479	410,578	-	-	590,057
Unavailable revenue – other taxes	-	-	-	-	17,201	17,201
Unavailable revenue – grants	-	-	-	-	266,347	266,347
Unavailable revenue – interest	-	-	-	-	89,200	89,200
Unavailable revenue – intergovernmental	-	-	-	264,689	38,619	303,308
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>794,706</u>	<u>179,479</u>	<u>410,578</u>	<u>264,689</u>	<u>411,367</u>	<u>2,060,819</u>
<b>FUND BALANCES (DEFICIT)</b>						
Nonspendable	-	-	-	-	3,412,246	3,412,246
Restricted	4,878	349,310	2,814,729	-	8,262,175	11,431,092
Committed	-	-	-	-	1,931,875	1,931,875
Assigned	9,358,748	-	-	-	756,696	10,115,444
Unassigned (deficit)						
General fund	18,307,622	-	-	-	-	18,307,622
Special revenue funds	-	-	-	(264,689)	(1,265,200)	(1,529,889)
<b>TOTAL FUND BALANCES</b>	<u>27,671,248</u>	<u>349,310</u>	<u>2,814,729</u>	<u>(264,689)</u>	<u>13,097,792</u>	<u>43,668,390</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 30,565,500</u>	<u>\$ 1,016,388</u>	<u>\$ 4,106,433</u>	<u>\$ 4,966,988</u>	<u>\$ 16,273,856</u>	<u>\$ 56,929,165</u>

**City of Texarkana, Texas**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**September 30, 2021**

Total governmental funds balances	\$ 43,668,390
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	131,162,833
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,060,819
Internal service funds are used by management to charge the costs of insurance and fleet services to individual funds. A portion of the assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	935,533
Long-term liabilities, including bonds payable, certificates of obligation, capital leases and compensated absences are not due and payable in the current periods and therefore are not reported in the funds.	(49,578,047)
Net pension liability, Other Post Employment Benefit (OPEB) liability, pension and OPEB related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds.	(31,658,785)
Equity interest in joint ventures, excluding interest in Bowie Central Appraisal District, do not provide current financial resources and therefore may not be reported in the funds.	<u>19,116,096</u>
Net position of governmental activities	<u><u>\$ 115,706,839</u></u>

**City of Texarkana, Texas**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balances – Governmental Funds**  
**Year Ended September 30, 2021**

	General	Debt Service	TIRZ #1	American Rescue Plan Grant	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 14,344,548	\$ 3,682,178	\$ 628,069	\$ -	\$ -	\$ 18,654,795
Other taxes	19,723,201	-	-	-	1,671,030	21,394,231
Franchise receipts	1,392,093	-	-	-	341,015	1,733,108
Fees and permits	427,598	-	-	-	-	427,598
Charges for services	981,375	-	-	-	56,294	1,037,669
Municipal court	599,736	-	-	-	-	599,736
Grants and entitlements	8,447	-	-	-	1,574,792	1,583,239
Interest and dividends	225,101	5,309	26,206	-	158,012	414,628
Rental income	30,435	-	-	-	-	30,435
Intergovernmental	179,277	-	-	4,702,009	2,247,389	7,128,675
Other	837,568	-	368,547	-	87,557	1,293,672
Total revenues	<u>38,749,379</u>	<u>3,687,487</u>	<u>1,022,822</u>	<u>4,702,009</u>	<u>6,136,089</u>	<u>54,297,786</u>
<b>EXPENDITURES</b>						
Current						
General government	7,502,444	-	-	-	292,837	7,795,281
Public safety	11,541,472	-	-	-	112,351	11,653,823
Public works	4,873,767	-	80,806	-	265,808	5,220,381
Parks and recreation	1,826,997	-	-	-	1,033,947	2,860,944
Health and welfare	169,587	-	-	4,966,698	579,306	5,715,591
Capital outlay	2,504,373	-	-	-	3,944,954	6,449,327
Debt service:						
Principal retirement	217,139	3,615,000	-	-	435,492	4,267,631
Interest and fiscal charges	10,127	1,363,312	-	-	-	1,373,439
Total expenditures	<u>28,645,906</u>	<u>4,978,312</u>	<u>80,806</u>	<u>4,966,698</u>	<u>6,664,695</u>	<u>45,336,417</u>
Excess (deficiency) of revenues over expenditures	<u>10,103,473</u>	<u>(1,290,825)</u>	<u>942,016</u>	<u>(264,689)</u>	<u>(528,606)</u>	<u>8,961,369</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	20,059	1,273,747	-	-	554,674	1,848,480
Transfers out	(1,337,576)	-	(801,469)	-	(773,262)	(2,912,307)
Total other financing sources (uses)	<u>(1,317,517)</u>	<u>1,273,747</u>	<u>(801,469)</u>	<u>-</u>	<u>(218,588)</u>	<u>(1,063,827)</u>
Net change in fund balance	8,785,956	(17,078)	140,547	(264,689)	(747,194)	7,897,542
Fund balance at beginning of year	<u>18,885,292</u>	<u>366,388</u>	<u>2,674,182</u>	<u>-</u>	<u>13,844,986</u>	<u>35,770,848</u>
Fund balance at end of year	<u>\$ 27,671,248</u>	<u>\$ 349,310</u>	<u>\$ 2,814,729</u>	<u>\$ (264,689)</u>	<u>\$ 13,097,792</u>	<u>\$ 43,668,390</u>

**City of Texarkana, Texas**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended September 30, 2021**

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

Net change in fund balances - total governmental funds	\$	7,897,542
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the effect of those differences.		547,414
The Statement of Activities reports a gain or loss of the sale of the assets based on the proceeds received and the net book value of the assets at the time of disposal. This amount is the net effect of the difference between the cost of assets disposed and the accumulated depreciation of assets disposed.		(228,972)
Some revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. On the accrual basis, however, those revenues would be recognized, regardless of when they were collected. This is the net amount of the revenue differences as a result of deferrals because of the availability criterion under the modified accrual basis of accounting.		(1,402,470)
The issuance of long-term debt (e.g., bonds, leases) 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 transactions, however, has any effect on net position. Also governmental funds report the net 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.		4,392,487
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as an expenditure in the governmental funds.		(200,591)
Net pension and other postemployment obligations 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.		1,188,883
Internal service funds are used by management to charge the costs of insurance and fleet services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		(346,369)
Increases (decreases) from the equity interest in joint ventures do not provide or use current current financial resources and therefore may not be reported in the funds.		<u>4,636,192</u>
Change in net position of governmental activities	\$	<u><u>16,484,116</u></u>

**City of Texarkana, Texas**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balances – Budget and Actual – General Fund**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Property taxes	\$ 13,161,901	\$ 14,246,212	\$ 14,344,548	\$ 98,336
Other taxes	16,435,285	18,276,182	19,723,201	1,447,019
Franchise receipts	1,394,500	1,370,500	1,392,093	21,593
Fees and permits	538,250	849,425	427,598	(421,827)
Charges for services	1,105,413	1,040,513	981,375	(59,138)
Municipal court	1,403,235	709,068	599,736	(109,332)
Grants and entitlements	52,895	164,363	8,447	(155,916)
Investment earnings	145,988	145,988	255,536	109,548
Intergovernmental	223,665	188,000	179,277	(8,723)
Other	523,900	462,923	837,568	374,645
Total revenues	<u>34,985,032</u>	<u>37,453,174</u>	<u>38,749,379</u>	<u>1,296,205</u>
<b>EXPENDITURES</b>				
Current				
General government	8,615,292	8,680,961	7,502,444	1,178,517
Public safety	15,831,837	13,936,237	11,541,472	2,394,765
Public works	5,554,624	5,782,285	4,873,767	908,518
Parks and recreation	1,860,919	1,930,232	1,826,997	103,235
Health and welfare	433,707	450,330	169,587	280,743
Capital outlay	2,206,444	1,932,863	2,504,373	(571,510)
Debt service				
Principal	238,282	238,282	217,139	21,143
Interest	11,310	11,310	10,127	1,183
Total expenditures	<u>34,752,415</u>	<u>32,962,500</u>	<u>28,645,906</u>	<u>4,316,594</u>
Excess (deficiency) of revenue over expenditures	<u>232,617</u>	<u>4,490,674</u>	<u>10,103,473</u>	<u>5,612,799</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	54,933	55,430	20,059	(35,371)
Transfers out	(1,374,414)	(1,489,710)	(1,337,576)	152,134
Total other financing sources (uses)	<u>(1,319,481)</u>	<u>(1,434,280)</u>	<u>(1,317,517)</u>	<u>116,763</u>
Net change in fund balance	(1,086,864)	3,056,394	8,785,956	5,729,562
Fund balances at beginning of year	<u>18,885,292</u>	<u>18,885,292</u>	<u>18,885,292</u>	<u>-</u>
Fund balance at end of year	<u>\$ 17,798,428</u>	<u>\$ 21,941,686</u>	<u>\$ 27,671,248</u>	<u>\$ 5,729,562</u>

**City of Texarkana, Texas**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balances – Budget and Actual – TIRZ#1 Fund**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 671,544	\$ 649,311	\$ 628,069	\$ (21,242)
Interest and dividends	25,000	25,000	26,206	1,206
Intergovernmental	508,862	504,965	368,547	(136,418)
Total revenues	<u>1,205,406</u>	<u>1,179,276</u>	<u>1,022,822</u>	<u>(156,454)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	500	500	80,806	(80,306)
Capital outlay	<u>2,169,404</u>	<u>45,688</u>	<u>-</u>	<u>45,688</u>
Total expenditures	<u>2,169,904</u>	<u>46,188</u>	<u>80,806</u>	<u>(34,618)</u>
Excess (deficiency) of revenues over expenditures	<u>(964,498)</u>	<u>1,133,088</u>	<u>942,016</u>	<u>(191,072)</u>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers out	<u>(803,469)</u>	<u>(803,469)</u>	<u>(801,469)</u>	<u>2,000</u>
Total other financing sources/uses	<u>(803,469)</u>	<u>(803,469)</u>	<u>(801,469)</u>	<u>2,000</u>
Net change in fund balance	(1,767,967)	329,619	140,547	(189,072)
Fund balance at beginning of year	<u>2,674,182</u>	<u>2,674,182</u>	<u>2,674,182</u>	<u>-</u>
Fund balance at end of year	<u>\$ 906,215</u>	<u>\$ 3,003,801</u>	<u>\$ 2,814,729</u>	<u>\$ (189,072)</u>

**City of Texarkana, Texas**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balance – Budget and Actual – ARPA Fund**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 4,000,000	\$ 4,702,009	\$ 702,009
Total revenues	<u>-</u>	<u>4,000,000</u>	<u>4,702,009</u>	<u>702,009</u>
<b>EXPENDITURES</b>				
Current				
Health and welfare	-	4,000,000	4,966,698	(966,698)
Total expenditures	<u>-</u>	<u>4,000,000</u>	<u>4,966,698</u>	<u>(966,698)</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>-</u>	<u>(264,689)</u>	<u>(264,689)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	(264,689)	(264,689)
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (264,689)</u>	<u>\$ (264,689)</u>



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**City of Texarkana, Texas**  
**Statement of Net Position – Enterprise Funds**  
**September 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Texarkana, Texas Water Utilities</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	
<b>ASSETS</b>				
Current assets				
Cash	\$ 14,630,143	\$ 834,279	\$ 15,464,422	\$ 980,917
Investments	1,469,936	-	1,469,936	-
Receivables (net of allowance for uncollectible):				
Accounts	2,112,816	40,237	2,153,053	269,260
Accrued interest	4,403	-	4,403	-
Other government agencies	161,071	-	161,071	767,389
Due from other funds	391,779	26,471	418,250	-
Inventory	547,118	-	547,118	17,058
Prepaid expenses	79,791	-	79,791	-
Net investment in direct financing lease	14,837	-	14,837	-
Total current assets	<u>19,411,894</u>	<u>900,987</u>	<u>20,312,881</u>	<u>2,034,624</u>
Noncurrent assets				
Restricted assets				
Cash	189,892	-	189,892	-
Investments	700,000	-	700,000	-
Accrued interest	26,959	-	26,959	-
Accounts receivable	-	291,325	291,325	-
Total restricted assets	<u>916,851</u>	<u>291,325</u>	<u>1,208,176</u>	<u>-</u>
Other noncurrent assets				
Prepaid capital improvement deposits	1,349,384	-	1,349,384	-
Net investment in direct financing lease	226,930	-	226,930	-
Total other noncurrent assets	<u>1,576,314</u>	<u>-</u>	<u>1,576,314</u>	<u>-</u>
Capital assets (net of accumulated depreciation)				
Land	1,444,866	800	1,445,666	-
Buildings	735,793	-	735,793	-
Improvements other than buildings	47,203,291	-	47,203,291	-
Machinery and equipment	1,927,604	-	1,927,604	-
Property under capital leases	6,389,353	-	6,389,353	-
Construction in progress	3,694,821	-	3,694,821	-
Total capital assets	<u>61,395,728</u>	<u>800</u>	<u>61,396,528</u>	<u>-</u>
Total noncurrent assets	<u>63,888,893</u>	<u>292,125</u>	<u>64,181,018</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>83,300,787</u>	<u>1,193,112</u>	<u>84,493,899</u>	<u>2,034,624</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension outflows	661,610	-	661,610	-
Deferred pension outflows from other post employment benefits	56,145	-	56,145	-
<b>TOTAL DEFERRED OUTFLOWS ON RESOURCES</b>	<u>717,755</u>	<u>-</u>	<u>717,755</u>	<u>-</u>

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Texarkana, Texas Water Utilities</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 859,682	\$ 97,359	\$ 957,041	\$ 532,898
Accrued liabilities	172,333	18,370	190,703	313,881
Accrued interest	10,843	-	10,843	-
Due to other funds	251,610	174,343	425,953	-
Other payables	183,455	-	183,455	-
Accrued compensated absences – current	55,453	-	55,453	-
Revenue bonds – current	280,000	-	280,000	-
Obligations under capital leases – current	754,395	-	754,395	-
Total current liabilities	<u>2,567,771</u>	<u>290,072</u>	<u>2,857,843</u>	<u>846,779</u>
Noncurrent liabilities				
Customer deposits	734,467	-	734,467	-
Capital improvement deposits	600,179	897,161	1,497,340	-
Accrued compensated absences	365,547	-	365,547	-
Net pension and other postemployment liabilities	3,708,784	-	3,708,784	-
Revenue bonds	1,566,142	-	1,566,142	-
Obligations under capital leases	1,550,930	-	1,550,930	-
Total noncurrent liabilities	<u>8,526,049</u>	<u>897,161</u>	<u>9,423,210</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>11,093,820</u>	<u>1,187,233</u>	<u>12,281,053</u>	<u>846,779</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension inflows from pensions	867,429	-	867,429	-
Deferred pension inflows from other post emp benefits	830,681	-	830,681	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,698,110</u>	<u>-</u>	<u>1,698,110</u>	<u>-</u>
<b>NET POSITION (DEFICIT)</b>				
Net invested in capital assets	58,067,071	-	58,067,071	-
Unrestricted	13,159,541	5,879	13,165,420	1,187,845
<b>TOTAL NET POSITION</b>	<u>\$ 71,226,612</u>	<u>\$ 5,879</u>	<u>71,232,491</u>	<u>\$ 1,187,845</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.			<u>237,569</u>	
Net position of business-type activities			<u>\$ 71,470,060</u>	

**City of Texarkana, Texas**  
**Statement of Revenues, Expenses and Changes in**  
**Net Position – Enterprise Funds**  
**Year Ended September 30, 2021**

	<u>Business -type Activities - Enterprise Funds</u>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Texarkana, Texas Water Utilities</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	
<b>OPERATING REVENUES</b>				
Water sales	\$ 7,129,168	\$ 1,224,261	\$ 8,353,429	\$ -
Wholesale water sales	2,013,124	-	2,013,124	-
Water connection fees	8,750	-	8,750	-
Sewer charges	6,712,532	-	6,712,532	-
Penalties and service charges	318,567	-	318,567	-
Insurance contributions	-	-	-	7,686,090
Fleet services	-	-	-	142,603
Other income	3,378,448	1,753	3,380,201	46,158
Total operating revenues	<u>19,560,589</u>	<u>1,226,014</u>	<u>20,786,603</u>	<u>7,874,851</u>
<b>OPERATING EXPENSES</b>				
Administrative	382,820	-	382,820	-
Finance	933,037	-	933,037	-
Customer service	540,854	-	540,854	-
Water production	3,151,170	-	3,151,170	-
Water distribution	795,914	-	795,914	-
Sewer collection	759,182	-	759,182	-
Wastewater treatment	2,940,733	-	2,940,733	-
Environmental service	221,387	-	221,387	-
Engineering design	386,720	-	386,720	-
Geographical information systems	218,477	-	218,477	-
Composting	196,280	-	196,280	-
Operations administration	156,856	-	156,856	-
Service center	287,785	-	287,785	-
Field service	388,349	176	388,525	-
Construction oversight	955,048	-	955,048	-
Benefit payments	-	-	-	8,104,638
Fleet services	-	-	-	1,258,627
Depreciation	3,857,186	-	3,857,186	-
Other expenses	1,570,198	-	1,570,198	-
Contract water & sewer expense-International Paper	-	1,219,609	1,219,609	-
Total operating expense	<u>17,741,996</u>	<u>1,219,785</u>	<u>18,961,781</u>	<u>9,363,265</u>
Operating income (loss)	<u>1,818,593</u>	<u>6,229</u>	<u>1,824,822</u>	<u>(1,488,414)</u>

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Texarkana, Texas Water Utilities</b>	<b>Other Proprietary Funds</b>	<b>Total</b>	
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest revenue – investments	\$ 114,628	\$ 834	\$ 115,462	\$ 10,110
Interest expense	(56,699)	-	(56,699)	-
Interest expense – capital leases	(211,465)	-	(211,465)	-
Total nonoperating revenues (expenses)	<u>(153,536)</u>	<u>834</u>	<u>(152,702)</u>	<u>10,110</u>
Income (loss) before transfers	1,665,057	7,063	1,672,120	(1,478,304)
Capital contributions	388,847	-	388,847	-
Transfers in	-	-	-	1,065,194
Transfers out	<u>(14,175)</u>	<u>(568)</u>	<u>(14,743)</u>	<u>(1,367)</u>
Change in net position	2,039,729	6,495	2,046,224	(414,477)
Total net position, beginning of year	<u>69,186,883</u>	<u>(616)</u>		<u>1,602,322</u>
Total net position, end of year	<u>\$ 71,226,612</u>	<u>\$ 5,879</u>		<u>\$ 1,187,845</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue/expenses of certain internal service funds is reported with business-type activities.			<u>(82,895)</u>	
Change in net position of business-type activities			<u>\$ 1,963,329</u>	

**City of Texarkana, Texas**  
**Statement of Cash Flows – Enterprise Funds**  
**Year Ended September 30, 2021**

	<u>Business-type Activities - Enterprise Funds</u>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Texarkana, Texas Water Utilities</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 19,099,127	\$ 1,392,431	\$ 20,491,558	\$ 7,342,391
Cash received from interfund services provided and used	-	-	-	163,937
Cash paid to suppliers	(14,349,344)	(1,226,222)	(15,575,566)	(9,005,122)
Cash paid to employees	(3,163,872)	-	(3,163,872)	(337,731)
Net cash provided from (used by) from operating activities	<u>1,585,911</u>	<u>166,209</u>	<u>1,752,120</u>	<u>(1,836,525)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers to other funds	(14,175)	(568)	(14,743)	(1,367)
Transfers in from other funds	-	-	-	1,065,194
Net cash provided from (used by) noncapital financing activities	<u>(14,175)</u>	<u>(568)</u>	<u>(14,743)</u>	<u>1,063,827</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets	(1,524,429)	(800)	(1,525,229)	-
Principal paid on bonds	(278,135)	-	(278,135)	-
Interest paid on bonds	(68,065)	-	(68,065)	-
Principal paid on capital leases	(206,066)	-	(206,066)	-
Interest paid on capital leases	(211,465)	-	(211,465)	-
Capital improvement deposits received	-	443,478	443,478	-
Capital improvement deposits returned	(567,541)	-	(567,541)	-
Interest received on capital improvement deposits	-	750	750	-
Federal grants received	388,847	-	388,847	-
Net cash provided from (used by) capital and related financing activities	<u>(2,466,854)</u>	<u>443,428</u>	<u>(2,023,426)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>				
Purchase of investments	(1,182,500)	-	(1,182,500)	-
Proceeds from sale and maturities of investments	1,600,000	75,000	1,675,000	-
Interest received on investments	121,154	834	121,988	10,110
Net cash provided by from investing activities	<u>538,654</u>	<u>75,834</u>	<u>614,488</u>	<u>10,110</u>
Net increase (decrease) in cash	(356,464)	684,903	328,439	(762,588)
Cash, beginning of year	<u>15,176,499</u>	<u>149,376</u>	<u>15,325,875</u>	<u>1,743,505</u>
Cash, end of year	<u>\$ 14,820,035</u>	<u>\$ 834,279</u>	<u>\$ 15,654,314</u>	<u>\$ 980,917</u>
Cash - unrestricted	\$ 14,630,143	\$ 834,279	\$ 15,464,422	\$ 980,917
Cash - restricted	<u>189,892</u>	<u>-</u>	<u>189,892</u>	<u>-</u>
	<u>\$ 14,820,035</u>	<u>\$ 834,279</u>	<u>\$ 15,654,314</u>	<u>\$ 980,917</u>

**City of Texarkana, Texas**  
**Statement of Cash Flows – Enterprise Funds (Continued)**  
**Year Ended September 30, 2021**

	<b>Business-type Activities - Enterprise</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Texarkana, Texas Water Utilities</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided from (Used By) Operating Activities</u></b>				
<b>Operating Income (Loss)</b>	\$ 1,818,593	\$ 6,229	\$ 1,824,822	\$ (1,488,414)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided from (Used By) Operating Activities</b>				
Depreciation expense	3,857,186	-	3,857,186	-
(Increase) decrease in assets				
Accounts receivable	(445,946)	145,337	(300,609)	(128,165)
Due from other government agencies	(1,978)	(1,000)	(2,978)	(380,957)
Due from other funds	(139,810)	(20,036)	(159,846)	(80)
Inventory	(40,220)	-	(40,220)	8,126
Prepaid expenses	(2,462)	-	(2,462)	-
(Increase) decrease in deferred outflows	(15,751)	-	(15,751)	-
Increase (decrease) in liabilities				
Accounts payable	(387,925)	16,189	(371,736)	(146,134)
Accrued liabilities	(822,433)	19,475	(802,958)	299,061
Due to other funds	96,465	15	96,480	38
Accrued compensated absences	(19,137)	-	(19,137)	-
Customer deposits	(13,538)	-	(13,538)	-
Net pension and other postemployment liabilities	(469,817)	-	(469,817)	-
Other payables	(1,469,501)	-	(1,469,501)	-
Increase (decrease) in deferred inflows	(357,815)	-	(357,815)	-
Total adjustments	<u>(232,682)</u>	<u>159,980</u>	<u>(72,702)</u>	<u>(348,111)</u>
Net cash provided from (used by) from operating activities	<u>\$ 1,585,911</u>	<u>\$ 166,209</u>	<u>\$ 1,752,120</u>	<u>\$ (1,836,525)</u>

**City of Texarkana, Texas**  
**Statement of Fiduciary Net Position – Fiduciary Funds**  
**Year Ended September 30, 2021**

	<b>Firemen's Relief Pension Trust Fund 12/31/2020</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 620,677	\$ 89,009
Receivables		
Employer contributions	71,543	-
Member contributions	49,530	-
Interest and dividends	106,648	-
Investments, at fair value		
Equities:		
Domestic	10,506,763	-
International	7,890,732	-
Fixed income:		
Domestic	8,620,275	-
International	1,177,661	-
Alternative investments	10,486,318	-
Real estate	1,405,205	-
Other assets	12,633	-
<b>TOTAL ASSETS</b>	<b>40,947,985</b>	<b>89,009</b>
<b>LIABILITIES</b>		
Accrued expenses	30,782	-
Due to other funds	-	1,014
<b>TOTAL LIABILITIES</b>	<b>30,782</b>	<b>1,014</b>
<b>NET POSITION</b>		
Net position – restricted for pension benefits	40,917,203	-
Net position - restricted individuals, organizations, other governments	-	87,995
<b>TOTAL NET POSITION</b>	<b>\$ 40,917,203</b>	<b>\$ 87,995</b>

**City of Texarkana, Texas**  
**Statement of Changes in Fiduciary Net Position – Fiduciary Funds**  
**Year Ended September 30, 2021**

	<b>Firemen's Relief Pension Trust Fund 12/31/2020</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 893,720	\$ -
Members	618,424	-
Total contributions	<u>1,512,144</u>	<u>-</u>
Investment income (loss)		
Interest and dividend income	801,392	1,014
Capital gain distributions	15,391	-
Net appreciation in fair value of investments	4,964,617	-
Less investment expense	<u>(178,115)</u>	<u>-</u>
Net investment income	5,603,285	1,014
Seized funds	-	20,863
<b>TOTAL ADDITIONS</b>	<u>7,115,429</u>	<u>21,877</u>
<b>DEDUCTIONS</b>		
Benefits paid to participants	2,470,421	-
Refunds and drop payments	68,920	-
Administrative expenses	61,374	-
Distributions to other governments	-	2,821
<b>TOTAL DEDUCTIONS</b>	<u>2,600,715</u>	<u>2,821</u>
Change in net position	4,514,714	19,056
Net position at beginning of year	<u>36,402,489</u>	<u>68,939</u>
Net position at end of year	<u>\$ 40,917,203</u>	<u>\$ 87,995</u>

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 1: Summary of Significant Accounting Policies**

***Reporting Entity***

The City of Texarkana, Texas was incorporated on April 5, 1960 under the provisions of Vernon's Civil Statutes Article 1175 (1) as amended (Home Rule Enabling Act). The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the City of Texarkana, Texas (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. TIRZ Advisory Board is a blended component unit of the City. Thus, blended component units are appropriately presented as funds of the primary government. The discretely presented component unit is reported in a separate column of the financial statements to emphasize it is legally separate from the government.

**Discretely Presented Component Unit.** The Texarkana-Bowie County Family Health Center, a public health district as established under Texas Civil Statutes, was organized by a cooperative agreement between the City and Bowie County, Texas. Because 7 of the 12 members of the governing body serve by virtue of the position each holds with the primary government, management has concluded that the primary government effectively appoints a voting majority of the governing body. Management believes that failure to include the Health Center would render the City's financial statements incomplete or misleading. The remaining 5 members of the Health Center governing body are the Bowie County Commissioners Court members. The City provides the facilities, a majority of the operating funds, and fiscal management of the Center. The City contributed \$68,750 and \$75,000 in fiscal year 2021 and 2020, respectively, towards the Health Center's operations during the year ended September 30, 2021. The Health Center does not have separately issued financial statements.

***Related Organizations***

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointment. The City Council or specific committees of the City Council appoint members of the following organizations: Board of Adjustment, Ark-Tex Council of Governments, Building Code Revision Committee, Building and Standards Commission, Civil Service Commission, CDBG Citizens Advisory Committee, Electrical Examining Board, Health Facilities Development Corporation, Historic Landmark Preservation Commission, Hospital Authority Board of Directors, Texarkana Housing Authority, Housing Finance Corporation, Industrial Development Corporation, Intergovernmental Advisory Committee, Library Commission, Northeast Texas Mental Health/Mental Retardation (MHMR) Board of Trustees, Permit and License Appeal Board, Planning and Zoning Commission, Plumbing Appeals and Advisory Board, Public Responsibility Committee, and Tax Increment Reinvestment Zone Boards. Positions on these boards are appointed in certain instances in entirety, partially, or with City Board members.

# City of Texarkana, Texas

## Notes to Financial Statements

### September 30, 2021

#### **Joint Ventures**

##### Texarkana Airport Authority

The City is a participant with Texarkana, Arkansas in a joint venture to operate Texarkana Regional Airport. The Texarkana Airport Authority was created in 1956 by ordinance enacted by the two cities. The governing body of Texarkana Airport Authority consists of eight members, four of whom are residents of Texarkana, Texas and four of whom are residents of Texarkana, Arkansas. These board members are appointed by the mayors of the respective Cities. The Airport Authority Board has governance responsibilities over all activities relating to operating and maintaining the Texarkana Regional Airport. The Board receives funding from airport operations and from various local, state, and federal agencies and must comply with any requirements of these funding sources.

In previous years, the cities have made contributions of assets to the Airport Authority of \$2,319,900 by Texarkana, Texas and \$2,097,370 by Texarkana, Arkansas. During the Airport Authority's fiscal year ended December 31, 2020, the City of Texarkana, Texas contributed \$208,787 and the City of Texarkana, Arkansas contributed \$58,034. The City of Texarkana, Texas' net investment in the Airport Authority is reported in the City's financial statements with governmental activities capital assets. The City's equity interest in the Airport Authority was \$17,163,780 at December 31, 2020 (the latest available). Complete financial statements for the Authority can be obtained from the Texarkana Airport Authority's administrative office.

##### Bi-State Justice Center

The City is also a participant in a joint venture in the Bi-State Justice Center with the City of Texarkana, Arkansas and Bowie County, Texas. The Bi-State Justice Center is jointly occupied by law enforcement and criminal justice agencies of the City of Texarkana, Texas; the City of Texarkana, Arkansas; and Bowie County, Texas. The facility is located on the state line, half in Texarkana, Texas and half in Texarkana, Arkansas. The Intergovernmental Advisory Committee is responsible for the operations of the Center. This seven-member committee is comprised of two members from the City of Texarkana, Texas City Council, two members from the Texarkana, Arkansas Board of Directors, the Bowie County Judge, one Bowie County Commissioner, and one independent member. The Center accounts only for the operations of its own law enforcement and criminal justice agencies. The annual budget is underwritten by the participating entities based on a formula which uses floor space occupied, number of records processed by the Building Information Center and the number of prisoners in the detention facility for each entity. Each year's revenues and expenditures are equal; therefore, there is never a net income or loss and no fund balance.

The City of Texarkana, Texas' net investment, which consists of capital outlay in the Bi-State Justice Center, is reported in the City's financial statements with governmental activities capital assets. The City's equity interest at September 30, 2021 was \$397,129 based on the Bi-State Justice Center's audited financial statements at December 31, 2020 (the latest available). Complete financial statements for the Bi-State Justice Center can be obtained from the City of Texarkana, Arkansas Finance Department.

# City of Texarkana, Texas

## Notes to Financial Statements

### September 30, 2021

#### Texarkana Urban Transportation Study (TUTS)

The City of Texarkana, Texas is a participant with seven other entities in the Texarkana Urban Transportation Study (TUTS) Policy Committee, which is the designated metropolitan planning organization (MPO) for the Texarkana urbanized area. The MPO develops transportation plans and programs in cooperation with the participating entities and transit agencies. The governing body of the TUTS consists of fourteen members, three of whom are representatives of the City of Texarkana, Texas; three of whom are representatives of the City of Texarkana, Arkansas; the Bowie County Judge, the Miller County Judge, the Mayor of the City of Wake Village, Texas; the Mayor of the City of Nash, Texas; two representatives for the Arkansas State Highways and Transportation Department; and two representatives for the Texas Department of Transportation. The TUTS may receive federal, state, and local funding for metropolitan transportation planning for the integrated network of federal, state, and local roads and highways. The City has an ongoing financial responsibility of the TUTS since its continued existence depends on continued funding by the City.

The City of Texarkana, Texas' net investment in the joint venture is reported in the City's financial statements in the General Fund since the joint venture does not represent equity primarily in capital assets. The City's interest at September 30, 2021 was \$0 based on the Texarkana Urban Transportation Study Policy Committee's financial records at September 30, 2021. The TUTS does not have separately issued financial statements for the year ended September 30, 2021.

#### Texarkana Urban Transit District

The City of Texarkana, Texas is a participant with three other cities in the Texarkana Urban Transit District (TUTD). The purpose of the TUTD will be to provide public transportation services within the Texarkana urban area. Composition of the Transit District Board is as follows: the City of Texarkana, Texas - three members, one of whom is an elected official; the City of Texarkana, Arkansas - three members, one of whom is an elected official; the City of Wake Village, Texas - two members, one of whom is an elected official; and the City of Nash, Texas - two members, one of whom is an elected official. The TUTD receives federal, state, and local funding, as well as user charges generated by the public transportation system. The City has an ongoing financial responsibility of the TUTD since its continued existence depends on continued funding by the City.

The City of Texarkana, Texas' net investment in the joint venture is reported in the City's financial statements within governmental activities. The City's interest at September 30, 2021 was \$1,555,187 based on the Texarkana Urban Transit District's audited financial statements at September 30, 2020 (the latest available). Complete financial statements for the TUTD can be obtained from the ATCOG Finance Department in Texarkana, Texas.

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

The government-wide financial statements consist of the statement of net position and the statement of activities. The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component unit. The effect of interfund activity has been removed from these statements. Governmental activities are reported separately from business-type activities. Governmental activities are normally supported by taxes and

# City of Texarkana, Texas

## Notes to Financial Statements

### September 30, 2021

intergovernmental revenues whereas business-type activities are normally supported by fees and charges for services. Similarly, the primary government is reported separately from legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds as well as fiduciary funds even though they are excluded from the government-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

#### ***Basis of Accounting***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements, with the exception of agency fund. 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.

Government fund financial statements are reported using the current financial resources measurement focus and 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 revenue 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 when payment is due.

Revenue sources such as property taxes, sales tax, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund - This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service - This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs of all of the City's long-term general obligation debt of governmental funds and has been designated as a major fund.

# City of Texarkana, Texas

## Notes to Financial Statements

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TIRZ #1 Fund – This fund was created to help finance the cost of public improvements needed to promote developing or redeveloping a specific geographic area that would otherwise not attract significant private investment “but for” the Zone and has been designated as a major fund.

American Rescue Plan Grant Fund – This fund is used to account for American Rescue Plan Act Grant funding provided to the City in response to the COVID-19 pandemic.

The City reports the following major proprietary fund:

Texarkana, Texas Water Utilities- This fund is used to account for water and sewer services provided to the citizens of Texarkana, Texas and other incorporated and unincorporated areas adjacent to the City.

Additionally, the City reports the following types of funds:

Internal Service Funds - These funds are established to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has two internal service funds. The Employee Benefit fund is used to account for employee medical benefits and life insurance premiums for covered City employees. The Fleet Services fund is used to account for the repair and maintenance of all vehicles and equipment owned by the City except for the Water Utilities.

Pension Trust Fund - This fund is established to account for the accumulation of resources to provide pension benefits to the City’s firemen. The principal revenue sources for this fund are employer and employee contributions and investment earnings. This fund has a separate audit and has a December 31 year end.

Custodial Funds - These funds are used to account for evidence money seized by the police department and held in escrow until the court directs its disposition.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. All taxes are included as general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of Texarkana, Texas Water Utilities, as well as the City’s internal service funds are charges to customers for sales and services. Texarkana, Texas Water Utilities

# City of Texarkana, Texas

## Notes to Financial Statements

### September 30, 2021

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 enterprise funds and internal service funds include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

#### ***Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity***

##### Deposits and investments

The City's cash and cash equivalents include amounts in demand and time deposit accounts. The City classifies all certificates of deposit as investments. State statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record.

The Firemen's Relief and Pension Trust Fund is authorized to invest in bonds or other interest-bearing obligations and securities of the United States, the State of Texas, or any county, city or other political subdivision of the State of Texas; in insured shares or share accounts of savings and loan associations; in insured first lien real estate mortgage securities and in selected corporation bonds, preferred stocks, and common stocks.

Investments for the City and its component unit are reported at fair value. Short-term investments, such as certificates of deposit and debt securities with a maturity date of less than one year, are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

For purposes of the statement of cash flows, the proprietary funds consider cash in bank, money market and savings accounts as cash and cash equivalents. All certificates of deposit and investments in other securities and instruments are considered to be investments.

##### ***Receivables and Payables***

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year is referred to as either "due to/from other funds (i.e. the current portion of interfund loans) or "advances to/from other funds (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the City's governmental activities and business type activities are reported in the government-wide financial statements as "internal balances".

All trade and property taxes receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 2.31 percent of outstanding property taxes as of September 30, 2021.

# **City of Texarkana, Texas**

## **Notes to Financial Statements**

### **September 30, 2021**

Property taxes are levied each October 1 and may be paid without penalty until January 31. A penalty is added to payments received February 1 through June 30. Optionally, taxes may be paid in two installments, one-half due November 30 and one-half due June 30. A 15% penalty is added to taxes remaining delinquent on July 1 and an enforceable lien attaches July 1. As of July 6, 1986, the Bowie Central Appraisal District assumed the billing and collection function for property taxes for the City of Texarkana and other cities and schools, and Bowie County under an intergovernmental agreement.

The Texas Constitution limits the City's ad valorem tax rate for all purposes to \$2.50 per one hundred dollars of assessed valuation. Ad valorem tax revenue during the year ended September 30, 2021 was levied using a rate of \$.700000 per hundred dollars of assessed valuation, based on 100% of estimated market value, which means that the City has a tax margin of \$1.800000 per \$100 and could raise taxes up to an additional \$49,034,621 a year from the present assessed valuation of \$2,724,145,599 before the limit is reached.

#### ***Inventories and Prepaid Items***

Inventories of the governmental funds are valued at cost using the average cost method. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed.

Inventories of the enterprise funds are valued at average cost or market whichever is lower. Inventories consist of repair materials and spare parts for water and wastewater treatment and distribution.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

#### ***Restricted Assets***

Certain proceeds of enterprise fund revenue bonds, as well as resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. Each of the enterprise funds report such proceeds of revenue bond issuances that are restricted for use in construction, debt service, and capital maintenance. Restricted assets also include interest accrued on unexpended bond proceeds.

#### ***Capital Assets***

Capital assets which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns of the government-wide financial statements.

**City of Texarkana, Texas**  
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*Governmental activities and health component unit:*

Capital assets are defined by governmental activities and the health component unit as assets with a normal service life greater than one year and an initial individual cost of more than the following amounts:

Land	\$	-
Buildings		5,000
Improvements other than buildings		5,000
Infrastructure		5,000
Machinery and equipment		5,000
Licensed vehicles		5,000

Such assets are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Donated assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the primary government as well as the component unit is depreciated using the straight-line method over the following estimated useful lives:

Land improvements	20 years
Furniture and fixtures	20 years
Licensed vehicles	8 years
Machinery and equipment	5 to 30 years
Communication equipment	10 years
Building	7 to 50 years
Infrastructure	10 to 65 years

***Business-type Activities***

Capital assets are defined by business type activities as assets with an initial, individual cost of more than the following amounts and an estimated life in excess of one year.

Furniture and fixtures	\$	5,000
Licensed vehicles		5,000
Mobile equipment		5,000
Machinery and equipment		5,000
Communication equipment		5,000
Pumps and purification equipment		5,000
Building and facilities		5,000
New improvements		5,000

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
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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. 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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Land improvements	20 years
Furniture and fixtures	20 years
Licensed vehicles	8 years
Machinery and equipment	5 to 30 years
Communication equipment	10 years
Building	7 to 50 years
Infrastructure	10 to 65 years

**Compensated Absences**

The City allows employees to accumulate earned but unused vacation and sick pay benefits. The City’s full-time employees are granted 120 hours of vacation and 120 hours of sick leave per year of continuous service, with the exception of firemen who can accrue up to 180 hours vacation and 180 hours of sick leave per year. A maximum of 200 hours of accrued vacation leave can be vested and carried forward to succeeding calendar years, with the exception of firemen who can accrue 300 hours. All accrued sick leave credited to an employee can be carried forward to succeeding calendar years without limitation. A maximum of 120 hours accrued vacation (180 for firefighters) is payable to an employee upon termination after five years of continuous service, except in cases of involuntary separation from service. Upon retirement, employees shall receive pay for any unused vacation leave accumulated up to 240 hours. Fire operations shall receive vacation pay up to 360 hours. A summary of maximum sick leave payable is as follows:

Civil/Non-Civil Service	Hire Date	Eligible for Retirement	Work Week Hours	Total Maximum Hours Accrued
Non-Civil	Prior to 1/1/10	Yes	N/A	1,440
Non-Civil	After 1/1/10	Yes	N/A	720
Civil – Police	Prior to 1/1/10	Yes	N/A	1,440
Civil – Police	After 1/1/10	Yes	N/A	720
Civil – Police	N/A	No	N/A	720
Civil – Fire	Prior to 1/1/10	Yes	56	2,016
Civil – Fire	After 1/1/10	Yes	56	1,080
Civil – Fire	Prior to 1/1/10	Yes	40	1,440
Civil – Fire	After 1/1/10	Yes	40	720
Civil – Fire	N/A	No	56	1,080
Civil – Fire	N/A	No	40	720

# City of Texarkana, Texas

## Notes to Financial Statements

### September 30, 2021

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

The City is funding part of its liability through annual allocations and transfers to separate accounts. Allocations, set annually by the City Council, are for employee termination payments.

#### ***Long-term Obligations***

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

#### ***Fund Equity***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Fund balances may be restricted or unrestricted (the total of committed, assigned, and unassigned fund balance). The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Fund balance for governmental funds can consist of the following:

**Non-spendable fund balance** - includes those amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts and long-term notes receivable.

**Restricted fund balance** - includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

# City of Texarkana, Texas

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**Committed fund balance** - includes amounts that can only be used 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.

**Assigned fund balance** - includes amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has taken action to assign fund balance for specific purposes in the current fiscal year. The City Council has by resolution authorized the City Manager to assign fund balance. 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.

**Unassigned fund balance** - The general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple funds balance classifications fund balance is depleted in the order of restricted, committed, assigned and unassigned.

The City's general fund balance policy establishes an unassigned fund balance goal of 60 days of general fund expenditures, exclusive of capital outlay and debt expenditures. The City will compute the percentage of unassigned fund balance after the annual audit has been presented to the City Council. In emergency situations, the City Council may appropriate unassigned fund balance even if such use decreases the fund balance below the established minimum. If unassigned fund balance falls below the goal or has a deficiency, the City will implement a plan to replenish the fund within one year or as soon as economic and budgetary conditions allow.

#### ***Estimates***

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

# City of Texarkana, Texas

## Notes to Financial Statements

### September 30, 2021

#### **Encumbrances**

Encumbrance accounting is employed in the governmental fund types in the fund financial statements. Purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation. Any purchase orders open at the end of the fiscal year are closed out and new purchase orders are issued in the subsequent fiscal year, if needed.

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualify for reporting in this category. They are the deferred pension outflows, deferred outflows from other postemployment benefits and the deferred charge on refunding reported in the statement of net position. The deferred pension outflows include the amount of contributions made by the City after the liability measurement date but prior to the City year end, and the difference in actual and expected experience and the assumption changes. The deferred outflows from other postemployment benefits are the change of assumptions. The 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has three types of items that qualify for reporting in this category. Accordingly, the deferred pension inflows consists of the difference in the projected and actual earnings on pension plan investments, the difference in expected and actual experience and the assumption changes. The deferred inflows from other postemployment benefits is the differences between the expected and actual experience. The gain 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.

#### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the respective retirement plan and additions to/deductions from the respective Fiduciary Net Position have been determined on the same basis as they are reported by the respective pension plan. 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 Texarkana, Texas**  
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***Postemployment Benefits Other Than Pension (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Health Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

***Adoption of GASB Statement No. 84 (GASB 84), Fiduciary Activities and GASB Statement No. 97 (GASB 97), Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32***

Effective October 1, 2020, the City implemented GASB 84 and GASB 97. These statements establish criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Adoption of GASB 84 and GASB 97 resulted in activities meeting the criteria being presented in the City's statement of fiduciary net position and statement of changes in fiduciary net positions. The adoption of GASB 84 and GASB 97 had no impact on the City's government-wide, governmental fund or proprietary fund financial statements. Adoption of GASB 84 and GASB 97 had no effect on the City's government-wide, governmental fund or proprietary fund financial statements. Adoption of GASB 84 and GASB 97 had no effect on the City's fiduciary funds financial statements other than reporting the Police Evidence Escrow Fund and Drug Escrow Fund as custodial funds rather than agency funds.

**Note 2: Stewardship, Compliance and Responsibility**

***Budgetary Information***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General fund and all special revenue funds. Debt service funds do not have legally adopted budgets because effective budgetary control is alternately achieved through general obligation bond indenture provisions. In addition to the above-mentioned funds, the capital projects funds have legally adopted project-length budgets. All budget annual appropriations lapse at year-end and are re-established in the succeeding year. Outstanding PO's and corresponding budgets roll at year end per budget ordinance.

Preparation of the budget for the upcoming fiscal year begins in April. Budget meetings with City management and department directors take place in April, May, and June. Budget estimates are finalized and presented to the Budget Advisory Committee in June/July. This committee is appointed by the City Council and is composed of seven citizens. The goal of the committee is to advise the City Council on the proposed budget. The proposed budget is presented to the City Council in July/August. Public hearings on the proposed budget and corresponding tax rate are held in August and September. The annual budget and tax rate are formally approved with a record vote by the City Council in September.

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The appropriated budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The City Council may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by an affirmative vote of a majority of the City Council. The City Charter prohibits budgeting total proposed expenditures in excess of total anticipated revenues and any unencumbered funds from prior years; therefore, expenditures may not legally exceed revenues and unencumbered fund balances from prior years. The legal level of budgetary control (i.e., the lowest level at which expenditures may not legally exceed appropriation) is the fund level.

The Council made several supplemental budgetary appropriations throughout the year. Individual amendments were not material in relation to the original appropriations. Comparison of budgeted and actual amounts as shown in the accompanying financial report includes the General Fund and Special Revenue Funds. The capital budget ordinances which encompass the Capital Projects Funds present cumulative (by project) as opposed to annual budget amounts and thus budget and actual comparisons are not reported in the accompanying financial report for these funds.

***Deficit Fund Equity***

The American Rescue Plan Grant Fund had a deficit fund balance of \$264,689. The Farmers Market Fund had a deficit balance of \$78,640. The Trail Grant Fund had a deficit fund balance of \$36,255. The Defense Economic Adjustment Assistance (DEAAG) Fund had a deficit balance of \$14,242. The Court Technology Fund had a deficit fund balance of \$24,688.

***Encumbrances***

As discussed in the Summary of Significant Accounting Policies, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

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Fund	Amount
General	\$ 503,351
TIRZ #1	530,425
CDBG	15,964
EPA Revolving Loan Grant	70,431
COC Homeless Assistance Grant	121,373
CDBG 108 Loan	71,450
Fleet Services	2,381
NRDA Grant	696,111
2017 Bond	272,795
2019 TIRZ Bond	2,302,238
Total	\$ 4,586,519

**Note 3: Deposits and Investments**

Deposits

At September 30, 2021, the carrying amount of the primary government, custodial fund and component unit's cash was \$56,509,785 and the respective bank balances totaled \$62,645,838.

Investments

For fiscal year 2021, the City invested in non-negotiable certificates of deposits measured at amortized costs. The City records all interest revenue related to investment activities in the respective funds. As of September 30, 2021, the carrying amount of the City's certificates of deposits reported as investments totaled \$2,170,936.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the investment portfolio as follows:

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<u>Investment Type</u>	<u>Not to Exceed</u>
U.S. Government agencies	80%
Fully insured or collateralized CD's	100%
Banker's acceptances	15%
Commercial paper	15%
Maximum per commercial paper issuer	5%
Repurchase agreements	50%
Money market funds	
Operating funds	100%
Bond funds	100%
Local government investment pools	80%
Maximum percent ownership of pool	10%
Maximum percent investment in any one pool	50%

The City's investment policy covers all funds except for the Firemen's Relief and Pension fund. The City's investment policy requires that the average maturity of the City's operating funds not exceed one year. The maximum final stated maturity of any investment shall not exceed five years. Investments in all funds shall be managed in such a way that the market price losses resulting from interest rate volatility would be offset by coupon income and current income received from the volume of the portfolio during a twelve-month period.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the following guidelines reflect the Firemen's Relief and Pension fund Board's asset allocation goals for the Firemen's Relief and Pension plan:

<u>Portfolio Segment</u>	<u>Range of Portfolio Assets</u>
Equity securities	40-75%
Fixed income securities	25-60%

The Firemen's Relief and Pension plan's investment policy requires that foreign equity investments cannot exceed 25% of the total portfolio and prohibits investment in any security payable in foreign currency.

In accordance with GASB Statement No. 72 *Fair Value Measurement and Application*, investments are recorded at fair value. In accordance with GASB Statement 72, the Firemen's Relief and Pension plan categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Common stock and mutual funds are categorized as Level 1. The remaining investments are categorized as Level 2.

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The Firemen’s Relief and Pension fund investments are summarized below:

<b>Cash and Cash Equivalents</b>	
Cash	\$ 22,193
Money market funds	598,484
<b>Investments</b>	
Equities:	
Domestic	10,506,763
International	7,890,732
Fixed income:	
Domestic	8,620,275
International	1,177,661
Alternative investments	10,486,318
Real estate	1,405,205
<b>Total investments</b>	<b>40,086,954</b>
Total investments and cash and cash equivalents	<b>\$ 40,707,631</b>

The City, including the Utility and the component units, do not have any debt security investments, other than in the Firefighter’s Relief and Pension Fund, which are exposed to interest rate risk.

As of December 31, 2020, the City’s Firefighter’s Relief and Pension fund had the following debt security investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
<i>Fire Pension Fund</i>					
Domestic equities	\$ 18,397,495	\$ 18,397,495	\$ -	\$ -	\$ -
Domestic fixed income	8,620,275	-	833,893	2,728,804	5,057,578
International fixed income	1,177,661	65,944	1,111,717	-	-
	28,195,431	\$ 18,463,439	\$ 1,945,610	\$ 2,728,804	\$ 5,057,578
Alternative investments	10,486,318				
Real estate	1,405,205				
	\$ 40,086,954				

For the year ended December 31, 2020 the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was (15.63%). The money-weighted return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The credit quality ratings of the debt security investments held by the Firefighter’s Relief and Pension Fund were unavailable at December 31, 2020.

*Custodial Credit Risk*

For a deposit, custodial credit risk is the risk that, in the event of a failure of a depository institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Of the primary government, agency fund and the component unit’s categorizable bank deposits of \$62,645,838, none were uninsured and uncollateralized.

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The City’s policy on custodial credit risk requires that all deposits and investments of City funds other than direct purchases of U.S. Treasuries or Agencies shall be secured by pledged collateral at a level of 102% of the market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC or FSLIC. The City’s policy also requires that collateral pledged to secure the deposits of the City be held by a safekeeping institution, or Trustee, such as the Federal Reserve Bank or an institution not affiliated with the firm pledging the collateral.

*Credit Risk*

The City is authorized to invest in obligations of the U.S. Government or the State of Texas, obligations of states, counties, cities, or other political subdivisions with a quality rating of not less than A. The City is also authorized to invest in (a) certificates of deposit of banks insured by FDIC, National Credit Union Share Insurance, or secured by mortgage-backed securities rated AAA, (b) fully collateralized direct repurchased agreements with a defined termination date secured by obligations of the U.S. government, (c) investment pools, not to exceed 80% of the City’s portfolio, and rated no lower than AAA or AAA-m, with a weighted average maturity of 90 days or less, (d) money market mutual funds that have a rating of AAA and a weighted average maturity of 90 days or less, (e) banker’s acceptances with a stated maturity of 270 days or less and rated not less than A-1 or P-1 and is fully secured by an irrevocable letter of credit issued by a bank, (f) guaranteed investment contracts, for bond proceeds only, if such contracts have a defined termination date, and are secured by U.S. Government Obligations.

The Firemen’s Plan did not hold investments in any one organization that represented five percent or more of the Plan’s fiduciary net position.

*Foreign Currency Risk*

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. In order to minimize foreign currency risk, the City’s Firemen’s Relief and Pension funds invests in a well-diversified fund. At December 31, 2020, the City’s Firemen’s Relief and Pension fund had fixed income securities of \$877,552 invested in foreign obligations with Seacrest Investment Management, LLC. The Seacrest investments are comprised of the following investments at December 31, 2020:

	<b>Fair Value</b>
Austria	\$ 81,274
Canada	212,070
El Salvador	69,388
France	97,602
Germany	97,691
Mexico	109,500
South Africa	107,504
Venezuela	2,440
Supranational	100,083
Total	\$ 877,552

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 4: Receivables**

Receivables as of year-end for the City’s individual major funds and nonmajor funds, internal service funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	American Rescue Plan Grant	TIRZ #1	Texarkana, Texas Water Utilities	Nonmajor and Other Funds	Total
Receivables							
Property taxes	\$ 749,035	\$ 192,973	\$ -	\$ 39,046	\$ -	\$ -	\$ 981,054
Other taxes	251,186	-	-	-	-	188,843	440,029
Accounts	40,988	26,404	-	-	2,613,077	363,548	3,044,017
Intergovernmental	3,954,247	-	264,689	612,108	161,071	1,278,711	6,270,826
Interest	11,512	-	-	-	4,403	128,633	144,548
Loans	-	-	-	-	-	3,412,246	3,412,246
Restricted accounts	-	-	-	-	-	507,242	507,242
Restricted interest	-	-	-	-	26,959	-	26,959
Gross receivables	5,006,968	219,377	264,689	651,154	2,805,510	5,879,223	14,826,921
Less: allowance for uncollectibles	(17,303)	(4,458)	-	(902)	(500,261)	(215,917)	(738,841)
Net total receivables	<u>\$ 4,989,665</u>	<u>\$ 214,919</u>	<u>\$ 264,689</u>	<u>\$ 650,252</u>	<u>\$ 2,305,249</u>	<u>\$ 5,663,306</u>	<u>\$ 14,088,080</u>

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
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**Note 5: Capital Assets**

Capital asset activity for the year ended September 30, 2021, was as follows:

	Balance October 1, 2020	Additions	Deletions	Transfers	Balance September 30, 2021
<b>Governmental Activities</b>					
Capital assets, not being depreciated					
Land	\$ 12,206,878	\$ -	\$ -	\$ -	\$ 12,206,878
Construction in progress	4,649,509	4,310,649	-	(2,062,297)	6,897,861
Total capital assets, not being depreciated	<u>16,856,387</u>	<u>4,310,649</u>	<u>-</u>	<u>(2,062,297)</u>	<u>19,104,739</u>
Capital assets, being depreciated					
Buildings	33,616,465	32,307	-	-	33,648,772
Improvements other than buildings	7,765,404	20,618	-	-	7,786,022
Infrastructure	168,879,005	56,609	-	1,204,687	170,140,301
Machinery and equipment	9,307,177	189,841	(162,366)	62,550	9,397,202
Licensed vehicles	10,087,117	1,415,946	(691,401)	795,060	11,606,722
Total capital assets, being depreciated	<u>229,655,167</u>	<u>1,715,321</u>	<u>(853,767)</u>	<u>2,062,297</u>	<u>232,579,019</u>
Less accumulated depreciation for					
Buildings	(19,798,792)	(731,466)	-	-	(20,530,258)
Improvements other than buildings	(4,406,111)	(275,541)	-	-	(4,681,652)
Infrastructure	(80,664,005)	(3,100,717)	-	-	(83,764,722)
Machinery and equipment	(4,199,252)	(462,191)	142,704	-	(4,518,739)
Licensed vehicles	(6,599,004)	(908,641)	482,091	-	(7,025,554)
Total accumulated depreciation	<u>(115,667,163)</u>	<u>(5,478,556)</u>	<u>624,795</u>	<u>-</u>	<u>(120,520,925)</u>
Total capital assets, being depreciated, net	<u>113,988,005</u>	<u>(3,763,235)</u>	<u>(228,972)</u>	<u>-</u>	<u>112,058,094</u>
Governmental capital assets, net	<u>\$ 130,844,392</u>	<u>\$ 547,414</u>	<u>\$ (228,972)</u>	<u>\$ -</u>	<u>\$ 131,162,833</u>

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
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	Balance October 1, 2020	Additions	Deletions	Transfers	Balance September 30, 2021
<b>Business-type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 1,447,826	\$ -	\$ (2,160)	\$ -	\$ 1,445,666
Construction in progress	5,109,898	1,236,577	-	(2,651,654)	3,694,821
Total capital assets, not being depreciated	<u>6,557,724</u>	<u>1,236,577</u>	<u>(2,160)</u>	<u>(2,651,654)</u>	<u>5,140,487</u>
Capital assets, being depreciated:					
Buildings	3,500,536	-	-	-	3,500,536
Improvements other than buildings	99,469,559	388,847	(4,183,636)	2,285,941	97,960,711
Machinery and equipment	12,853,515	-	(4,527,652)	365,713	8,691,576
Property under capital lease	20,655,069	-	(3,997)	-	20,651,072
Total capital assets, being depreciated	<u>136,478,679</u>	<u>388,847</u>	<u>(8,715,285)</u>	<u>2,651,654</u>	<u>130,803,895</u>
Less accumulated depreciation for:					
Buildings	(2,696,228)	(68,515)	-	-	(2,764,743)
Improvements other than buildings	(52,048,685)	(2,852,105)	4,143,370	-	(50,757,420)
Machinery and equipment	(10,550,859)	(697,125)	4,484,012	-	(6,763,972)
Property under capital lease	(14,022,278)	(239,441)	-	-	(14,261,719)
Total accumulated depreciation	<u>(79,318,050)</u>	<u>(3,857,186)</u>	<u>8,627,382</u>	<u>-</u>	<u>(74,547,854)</u>
Total capital assets, being depreciated, net	<u>57,160,629</u>	<u>(3,468,339)</u>	<u>(87,903)</u>	<u>2,651,654</u>	<u>56,256,041</u>
Business-type capital assets, net	<u>\$ 63,718,353</u>	<u>\$ (2,231,762)</u>	<u>\$ (90,063)</u>	<u>\$ -</u>	<u>\$ 61,396,528</u>

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
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Depreciation was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 183,952
Public safety	870,553
Public works	3,570,010
Parks and recreation	854,041
Total depreciation expense - governmental activities	<u>\$ 5,478,556</u>
Business-type activities:	
Water and sewer	\$ 3,857,186
Total depreciation expense - business-type activities	<u>\$ 3,857,186</u>

***Discretely Presented Component Unit***

Activity for the Health Center for the year ended September 30, 2021 was as follows:

	Balance October 1, 2020	Additions	Deletions	Balance Sept. 30, 2021
Capital assets, being depreciated:				
Buildings	\$ 1,371,233	\$ 8,400	\$ -	\$ 1,379,633
Improvements other than buildings	42,841	-	-	42,841
Machinery and equipment	58,043	40,453	-	98,496
Total capital assets, being depreciated	<u>1,472,117</u>	<u>48,853</u>	<u>-</u>	<u>1,520,970</u>
Less accumulated depreciation for:				
Buildings	(1,095,902)	(30,445)	-	(1,126,347)
Improvements other than buildings	(42,841)	-	-	(42,841)
Machinery and equipment	(17,271)	(7,356)	-	(24,627)
Total accumulated depreciation	<u>(1,156,014)</u>	<u>(37,801)</u>	<u>-</u>	<u>(1,193,815)</u>
Total capital assets, being depreciated, net	<u>\$ 316,103</u>	<u>\$ 11,052</u>	<u>\$ -</u>	<u>\$ 327,155</u>

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
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**Note 6: Construction Projects**

As of September 30, 2021, the City had the following commitments with respect to unfinished capital projects.

	<b>Project Authorization</b>	<b>Expended Through 9/30/2021</b>	<b>Required Future Financing</b>
Clean up of City owned site	\$ 46,720	\$ 24,703	\$ 22,017
Courthouse Square Project	972,991	930,345	42,646
Fire Station Relocation	532,636	259,841	272,795
Gibson Bridge/Extension	950,401	419,976	530,425
Gibson Bridge/Extension	7,383,827	5,081,590	2,302,237
Outdoor Warning System	74,444	69,156	5,288
Flooring for WIC	17,500	17,500	-
Glass doors for WIC	12,060	12,060	-
Total	<u>\$ 9,990,579</u>	<u>\$ 6,815,171</u>	<u>\$ 3,175,408</u>

**Note 7: Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of September 30, 2021, is as follows:

***Due to/from Other Funds***

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
General	Nonmajor governmental fund	\$ 489,041
General	TIRZ #1	44,538
General	Debt service	349
General	American rescue plan act	4,966,698
Nonmajor governmental fund	Nonmajor governmental fund	1,211,500
Nonmajor governmental fund	General	6,029
TIRZ #1	General	36,064
TIRZ #1	Debt service	312
Debt service	TIRZ #1	801,469
Total		<u>\$ 7,556,000</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.

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
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**Interfund transfers:**

Transfer in:	Transfers Out:					Total
	General Fund	Nonmajor Governmental	TIRZ #1	Internal Service	Texarkana, Texas Water Utilities & Other Proprietary Funds	
General fund	\$ -	\$ 3,949	\$ -	\$ 1,367	\$ 14,743	\$ 20,059
Debt service	-	472,278	801,469	-	-	1,273,747
Texarkana, Texas Water Utilities	14,743	-	-	-	-	14,743
Nonmajor governmental funds	257,639	297,035	-	-	-	554,674
Fleet services (internal service)	1,065,194	-	-	-	-	1,065,194
Total transfers in	<u>\$ 1,337,576</u>	<u>\$ 773,262</u>	<u>\$ 801,469</u>	<u>\$ 1,367</u>	<u>\$ 14,743</u>	<u>\$ 2,928,417</u>

Transfers may be used to (1) move revenues from the fund with collection authorization to another specific required fund, (2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, (3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grants, and other purposes.

**Note 8: Enterprise Funds – Contracts with City of Texarkana, Arkansas**

Under a contract dated August 5, 1948 as subsequently amended, the City supplies water to the City of Texarkana, Arkansas and disposes of sewage collected by that City. Charges to Texarkana, Arkansas for these services are computed by prorating certain expenses of the System, plus a set monthly fee. A new agreement was executed between the Cities of Texarkana, Texas and Texarkana, Arkansas on May 20, 1969. This new agreement relates to the matter of supplying treated water only and does not amend the prior agreement relating to sewer service. The terms of the new contract provide that Texarkana, Arkansas will pay the same amount per one thousand gallons of water supplied to it as shall be computed to be the cost to Texarkana, Texas under its contractual arrangements with other area cities (See Note 9). The Texarkana, Arkansas Water Utilities made total transfers to the Texarkana, Texas Water Utilities for water purchases of \$789,486 for 2021.

A water system agreement entered into on December 1, 1982 and amended on October 15, 1985, with the City of Texarkana, Arkansas provides for the sale of water taken from the Millwood Reservoir and processed in the Millwood Water Treatment Facilities. The agreement further provides that the City of Texarkana, Arkansas will sell treated water to Texarkana, Texas, at the cost per one thousand gallons of water supplied to it as shall be computed to be the cost to Texarkana, Arkansas. The Texarkana, Texas Water Utilities made total transfers to the Texarkana, Arkansas Water Utilities for water purchases of \$694,547 for 2021.

# **City of Texarkana, Texas**

## **Notes to Financial Statements**

### **September 30, 2021**

Additionally, when the indebtedness the City of Texarkana, Arkansas incurred in connection with the acquisition and construction of the water treatment and transmission facilities has been discharged, the City of Texarkana, Arkansas will convey to the City of Texarkana, Texas an undivided interest in the facilities used to serve Texas. Texarkana, Texas' undivided interest in the facilities shall be a pro rata portion of the total capital payments made on the system by both Texarkana, Arkansas and Texarkana, Texas. Texarkana, Texas' share is currently estimated to be approximately 63 percent of the total. Capital payments are defined as payments made or to be made on the principal of the bond obligation of Texarkana, Arkansas. The Texarkana, Texas Water Utilities made total transfers to the Texarkana, Arkansas Water Utilities for debt service of \$417,531 for 2021. The effective transfer of assets pursuant to this agreement has been recorded as a capital lease.

#### ***South Regional Wastewater Facilities***

A wastewater agreement dated March 1, 1983 was entered into between the City of Texarkana, Arkansas and the City of Texarkana, Texas. The agreement is a supplement to the previous agreement and provides that the City of Texarkana, Texas will process the wastewater from the City of Texarkana, Arkansas and charge the City of Texarkana, Arkansas the same amount per one thousand gallons as the computed cost to the City of Texarkana, Texas for wastewater treatment. The calculation of cost for retail customers billed on the City Rate Ordinance is based on the metered retail water sales of each City to the total retail water sales for both Cities. The cost for contract customers is based on metered wastewater treated in combination with the retail customers for each City to the total for both Cities.

#### ***McKinney Bayou Wastewater Facilities***

A wastewater agreement dated December 15, 1997 was entered into between the City of Texarkana, Arkansas and the City of Texarkana, Texas. The agreement relates to the operation and maintenance of a wastewater treatment facility, known as the McKinney Bayou Wastewater Facilities (the facilities), and related transmission lines located within the City of Texarkana, Arkansas to be used for the collection and treatment of a portion of the two cities' wastewater. The agreement provides that the City of Texarkana, Arkansas will process a portion of the wastewater from the City of Texarkana, Texas. The City of Texarkana, Texas will pay the City of Texarkana, Arkansas the same amount per one thousand gallons as computed to be the cost to the City of Texarkana, Arkansas for wastewater treatment. The calculation of cost for retail customers billed is based on the metered retail water sales of each City, whose wastewater is treated in the facilities, to the total retail water sales for both Cities, whose wastewater is being treated in the facilities.

The agreement further provides that, when the indebtedness of the City of Texarkana, Arkansas incurred in connection with the acquisition and construction of the wastewater treatment facilities has been discharged, the City of Texarkana, Arkansas will convey to the City of Texarkana, Texas an undivided interest in the system facilities used to serve Texas. Texarkana, Texas' undivided interest in the facilities shall be a pro rata portion of the total payments on bond obligations made on the system by both Texarkana, Arkansas and Texarkana, Texas. During 2021 the Texas Utilities made transfers to the Arkansas Utilities for debt service for \$92.

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 9: Enterprise Funds – Water Supply Contracts Between City of Texarkana, Texas and “Member Cities”**

A water supply contract has been entered into between the City of Texarkana, Texas and seven cities in the area which are described as “Member Cities”. Texarkana, Texas has agreed to supply each of these cities with a maximum amount of treated water per year. Each Member City agrees to make minimum monthly payments to the City of Texarkana, Texas, which shall be adequate to discharge its pro rata part of debt service, maintenance and operating, and administrative expenses to Lake Texarkana Water Supply Corporation. The proceeds of these contracts with the various Member Cities are pledged by the City for the payment of the bonds issued by Lake Texarkana Water Supply Corporation.

In fiscal year 2013, the Texas Utility issued \$2.2 million in Waterworks and Sanitary Sewer System Revenue Bonds to finance the moving and replacing of a 16 inch ductile iron water line to a 24 inch water line between Malta, Texas and DeKalb, Texas to accommodate the widening of U.S. Highway 82 between New Boston, Texas and DeKalb Texas, a Bowie County voter approved project. In fiscal year 2021, the Texas Utility received payments of \$26,835, respectively, from the “Member Cities” for contributions toward debt service on these bonds based on their ownership ratio in these assets, for which the related transfer is recorded as a direct financing lease by the Texas Utility.

**Note 10: Lease Commitments – Capital Leases**

The government has entered into a lease agreement as lessee for financing the acquisition of computer equipment. The government also has financed undivided interests in the acquisition of the Millwood Water Treatment Facilities and the McKinney Bayou Wastewater Facilities. The following is a schedule by years of future minimum lease payments under capital lease obligations as of September 30, 2021:

<u>Ending September 30:</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2022	\$ 198,776	\$ 754,395
2023	34,440	688,846
2024	11,554	687,606
2025	-	685,175
2026	-	-
Total minimum lease payments	<u>244,770</u>	<u>2,816,022</u>
Less:		
Unexpended funds	-	(296,555)
Amounts representing interest	(5,285)	(214,142)
Present value of minimum lease payments	<u>\$ 239,485</u>	<u>\$ 2,305,325</u>

**City of Texarkana, Texas**  
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**Note 11: Long-term Obligations**

**General Obligation Bonds**

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City has dedicated 19.67% of the ad valorem taxes received for the year for the payment of principal and interest on general obligation bonds. General obligation bonds at September 30, 2021 are as follows:

	<u>Rate of interest</u>	<u>Original Issue</u>	<u>Outstanding September 30, 2021</u>
<b>General Obligation Bonds</b>			
General Obligation Refunding Bonds, Series 2013 used to refund certain bonds which were issued to finance certain capital improvements of the City - due serially in varying amounts from February 15, 2014 through February 15, 2027.	2.00% - 5.00%	\$ 14,550,000	\$ 7,660,000
General Obligation Refunding Bonds, Series 2016 used to refund certain bonds which were issued to finance certain capital improvements of the City - due serially in varying amounts from February 1, 2017 through February 1, 2030.	2.00% - 3.00%	9,090,000	8,020,000
General Obligation Refunding Bonds, Series 2020A used to refund certain bonds which were issued to finance certain capital improvements of the City - due serially in varying amounts from February 1, 2021 through February 1, 2023.	1.20%	2,465,000	1,570,000
General Obligation Refunding Bonds, Series 2020B used to refund certain bonds which were issued to finance certain capital improvements of the City - due serially in varying amounts from February 1, 2021 through February 1, 2030.	1.87%	<u>4,330,000</u>	<u>3,935,000</u>
Total general obligation bonds		<u>\$ 30,435,000</u>	<u>\$ 21,185,000</u>

**City of Texarkana, Texas**  
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Annual requirements to amortize general obligation bonds outstanding at September 30, 2021 are as follows:

Requirements Year Ending September 30	General Obligation Bonds		
	Principal	Interest	Total
2022	\$ 2,610,000	\$ 590,684	\$ 3,200,684
2023	2,530,000	511,197	3,041,197
2024	2,655,000	421,761	3,076,761
2025	2,760,000	334,070	3,094,070
2026	2,860,000	254,685	3,114,685
2027-2031	7,770,000	297,972	8,067,972
Total	<u>\$ 21,185,000</u>	<u>\$ 2,410,369</u>	<u>\$ 23,595,369</u>

**Certificates of Obligation**

The City issues certificates of obligation to fund construction projects and acquire capital assets. Certificates of obligation are direct obligations and pledge the full faith and credit of the City. Certificates of obligation at September 30, 2021, are as follows:

	Rate of interest	Original Issue	Outstanding September 30, 2021
<b>Certificates of Obligation</b>			
Combination Tax and Revenue Certificates of Obligation, Series 2012 used for street and drainage improvements, constructing, improving and equipping park and recreational facilities - due serially in varying amounts through February 1, 2035.	0.50% - 3.500%	\$ 4,115,000	\$ 2,880,000
Combination Tax and Revenue Certificates of Obligation, Series 2017 used for public safety facilities, street and drainage improvements, park and recreational facilities, roof replacements, public works facilities, and municipal airport facilities due serially in varying amounts through February 1, 2037.	2.625 - 4.0%	14,160,000	12,475,000
Combination Tax and Revenue Certificates of Obligation, Series 2019 used for public safety facilities, street and drainage improvements, park and recreational facilities, roof replacements, public works facilities, and municipal airport facilities due serially in varying amounts through February 15, 2034.	2.50 - 3.50%	<u>6,780,000</u>	<u>6,005,000</u>
Total certificates of obligation		<u>\$ 25,055,000</u>	<u>\$ 21,360,000</u>

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
**September 30, 2021**

Annual requirements to amortize certificates of obligations outstanding at September 30, 2021, are as follows:

<u>Year Ending September 30</u>	<u>Certificates of Obligation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,150,000	\$ 657,613	\$ 1,807,613
2023	1,190,000	623,228	1,813,228
2024	1,225,000	583,244	1,808,244
2025	1,270,000	537,916	1,807,916
2026	1,315,000	490,575	1,805,575
2027-2031	7,225,000	1,810,188	9,035,188
2032-2036	7,000,000	687,194	7,687,194
2037-2041	985,000	17,238	1,002,238
Total	<u>\$ 21,360,000</u>	<u>\$ 5,407,196</u>	<u>\$ 26,767,196</u>

**Revenue Bonds**

The City issues bonds pledged with income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at September 30, 2021, are as follows:

<u>Revenue Bonds</u>	<u>Rate of interest</u>	<u>Original Issue</u>	<u>Outstanding September 30, 2021</u>
Waterworks and Sanitary Sewer System Revenue Bonds, Series 2013 net of bond discount of \$15,276 used to finance the costs of making improvements and extensions to the water and sewer system. Due serially in varying amounts from August 1, 2014 through August 1, 2033.	2.00% - 4.875%	\$ 2,200,000	\$ 1,482,813
Waterworks and Sanitary Sewer System Revenue Bonds, Series 2020 used to finance the costs of making improvements and extensions to the water and sewer system. Due serially in varying amounts from April 1, 2020 through February 1, 2023.	1.20%	<u>550,000</u>	<u>372,187</u>
Total Texarkana, Texas Water Utilities		<u>\$ 2,750,000</u>	<u>\$ 1,855,000</u>

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
**September 30, 2021**

Annual requirements to amortize revenue bonds outstanding at September 30, 2021 are as follows:

<b>Requirements Year Ending September 30</b>	<b>Revenue Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 280,000	\$ 68,356	\$ 348,356
2023	290,000	62,666	352,666
2024	105,000	57,881	162,881
2025	110,000	53,681	163,681
2026	115,000	49,281	164,281
2027-2031	805,000	181,619	986,619
2032-2036	150,000	7,556	157,556
Total	<u>\$ 1,855,000</u>	<u>\$ 481,040</u>	<u>\$ 2,336,040</u>

The Utility has pledged future water customer revenues, net of specified operating expenses, to repay the remaining balance in water system revenue bonds issued in 2004 and 2013. Proceeds from the bonds provided financing for the water and wastewater facility improvements and updates. The bonds are payable solely from water customer net revenues and are payable through 2033. Annual principal and interest payments on the bonds are expected to require approximately 2% of net revenues.

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
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**Changes in Long-term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended September 30, 2021:

	Balance October 1, 2020	Additions	Retirements/ Deductions	Balance September 30, 2021	Long-term Balance	Due Within One Year
<b>Governmental Activities</b>						
General obligation bonds	\$ 23,690,000	\$ -	\$ (2,505,000)	\$ 21,185,000	\$ 18,575,000	\$ 2,610,000
Issuance premiums	1,367,775	-	(147,569)	1,220,206	1,220,206	-
Total general obligation bonds	<u>25,057,775</u>	<u>-</u>	<u>(2,652,569)</u>	<u>22,405,206</u>	<u>19,795,206</u>	<u>2,610,000</u>
Certificates of obligation	22,470,000	-	(1,110,000)	21,360,000	20,210,000	1,150,000
Issuance premiums	765,139	-	(41,441)	723,698	723,698	-
Total certificates of obligation	<u>23,235,139</u>	<u>-</u>	<u>(1,151,441)</u>	<u>22,083,698</u>	<u>20,933,698</u>	<u>1,150,000</u>
Capital leases	456,623	-	(217,138)	239,485	40,709	198,776
Notes payable	663,110	-	(436,110)	227,000	227,000	-
Net pension liabilities	16,689,645	-	(4,141,769)	12,547,876	12,547,876	-
Net other postemployment liabilities	16,475,274	516,292	-	16,991,566	16,991,566	-
Accrued compensated absences	4,891,804	1,518,025	(1,317,434)	5,092,395	4,733,271	359,124
Governmental activity						
Long-term liabilities	<u>\$ 87,469,370</u>	<u>\$ 2,034,317</u>	<u>\$ (9,916,461)</u>	<u>\$ 79,587,226</u>	<u>\$ 75,269,326</u>	<u>\$ 4,317,900</u>
<b>Business-type Activities</b>						
Revenue bonds	\$ 2,135,000	\$ -	\$ (280,000)	\$ 1,855,000	\$ 1,575,000	\$ 280,000
Issuance discounts	(10,723)	-	1,865	(8,858)	(8,858)	-
Total revenue bonds	<u>2,124,277</u>	<u>-</u>	<u>(278,135)</u>	<u>1,846,142</u>	<u>1,566,142</u>	<u>280,000</u>
Capital leases	2,511,391	-	(206,066)	2,305,325	1,550,930	754,395
Net pension liabilities	3,127,685	-	(356,232)	2,771,453	2,771,453	-
Other postemployment liabilities	1,050,916	-	(113,585)	937,331	937,331	-
Accrued compensated absences	440,137	380,794	(399,931)	421,000	365,547	55,453
Business-type activity						
Long-term liabilities	<u>\$ 9,254,406</u>	<u>\$ 380,794</u>	<u>\$ (1,353,949)</u>	<u>\$ 8,281,251</u>	<u>\$ 7,191,403</u>	<u>\$ 1,089,848</u>

The General Fund is the governmental fund which primarily is responsible for liquidating the accrued compensated absences liability and net pension and other postemployment liabilities for the governmental activities.

**City of Texarkana, Texas**  
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**Note 12: Conduit Debt**

The City issued \$605,000 in General Obligation Refunding, Series 2020A dated April 1, 2020. The stated maturity date of the debt is February 1, 2023, with an interest rate of 1.20% per annum. The certificates were issued by the City on behalf of the Bi-State Justice Center. The purpose of the debt is to pay contractual obligations for improvements to the Bi-State Criminal Justice Center and professional services rendered in connection therewith. The payments are made by the Bi-State Justice Center directly to the paying agent. The City has no responsibility for the repayment of the debt beyond its participation in the BSJC joint venture. The balance outstanding at September 30, 2021 is \$410,000.

**Note 13: Risk Management**

The City's workers' compensation insurance coverage is obtained through the Texas Municipal League Intergovernmental Risk Pool (TML Pool). The TML Pool was established by the various political subdivisions in Texas to provide self-insurance for its members and to obtain lower costs for insurance. Losses under a stated amount for workers' compensation that are incurred by TML members are paid with TML Pool funds. Claims in excess of this limit are paid under terms of insurance policies obtained by the TML Pool. TML Pool members pay annual contributions to obtain the insurance. Annual contribution rates are determined by the TML Pool Board or by the State Board of Insurance of Texas. Such rates are estimated to include all claims expected to occur during the policy period, including claims incurred but not reported. The TML has established claims reserves for each of the types of insurance offered. Thus, although the TML Pool is a self-insured risk pool, members are not contingently liable for claims filed above the amount of the fixed annual contributions. If losses incurred are significantly higher than actuarially estimated, the TML Pool adjusts the contributed rate for subsequent years. Members are also entitled to returns of contributions if actual results are more favorable than estimated. For the year ended September 30, 2021 the City contributed \$362,756 for workers' compensation coverage.

The City has outside property insurance coverage totaling \$58,027,868 for major structures, primarily those used by the public and those located in a cluster to provide protection from catastrophic losses, as well as \$14,357,700 of contents coverage.

The City maintains liability insurance coverage of \$2,574,740 for all its vehicles and equipment. It has vehicle damage coverage on the most expensive vehicles and equipment including fire engines and large trucks.

**City of Texarkana, Texas**  
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The City has established an Employee Benefit Fund (an internal service fund) to account for a self-insured employee health benefit program. The City accounts for this expense on the accrual method in that as cash is transferred to the Employee Benefit Fund, it is expensed on the transferring fund. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Under this program, the City is self-insured up to a maximum of \$100,000 specific deductible per covered person in a calendar year, and a \$75,000 aggregating specific deductible. Costs in excess of this amount, up to an unlimited amount per claimant as an annual benefit and unlimited as a lifetime benefit, were insured through QBE Insurance Corporation, which was offered by the reinsurance company, Sirius. Sirius is offered through the Third-Party Administrator, Blue Cross Blue Shield of Texas. Each participating fund makes payments to the Employee Benefit Fund based upon the computed monthly amount determined by the administrator of the plan. Employees pay a portion of their costs and an amount for dependents and the City pays for the remainder of employees' coverage. Costs are recognized by the City in the Employee Benefit Fund when claims are filed and processed according to the City of Texarkana's plan document by Blue Cross Blue Shield of Texas. Estimated costs incurred but not billed at year end are accrued.

Changes in the balance of claims liabilities during the past year are as follows:

	<b>Year Ended September 30, 2021</b>	<b>Year Ended September 30, 2020</b>
Unpaid claims, October 1	\$ 496,678	\$ 366,300
Incurred claims	3,108,247	2,867,773
Claim payments	(3,072,037)	(2,737,395)
Unpaid claims, September 30	\$ 532,888	\$ 496,678

The amount of settlements has not exceeded the coverage during any of the past three years.

**Note 14: Employee Retirement Systems**

The City has elected to participate in the following retirement plans for its employees: A) Texas Municipal Retirement System, and B) Texarkana Firemen's Relief and Retirement Fund.

**City of Texarkana, Texas**  
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**Total All Employee Retirement Systems**

<u>Plan</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expenses/ Expenditures</u>
Governmental activities				
TMRS Plan 1	\$ 2,681,318	\$ 727,277	\$ 1,844,646	\$ 983,601
TMRS Plan 2	4,764,738	1,291,440	2,059,174	1,068,003
Firefighters Relief & Retirement Fund	<u>5,101,821</u>	<u>1,865,212</u>	<u>3,905,745</u>	<u>267,042</u>
Total governmental activities	12,547,877	3,883,929	7,809,565	2,318,646
Business-type activities:				
TMRS Plan 3	<u>2,771,453</u>	<u>661,610</u>	<u>867,429</u>	<u>640,057</u>
Total	<u>\$ 15,319,330</u>	<u>\$ 4,545,539</u>	<u>\$ 8,676,994</u>	<u>\$ 2,958,703</u>

**Texas Municipal Retirement System (TMRS)**

The City participates in three retirement plans in the Texas Municipal Retirement System (TMRS) which covers all eligible full-time employees, excluding firefighters: Plan #1 covers Police Officers, Plan #2 covers Other City employees and Plan #3 covers Texarkana Water Utilities employees.

Plan Description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS ACT, Subtitle G, Title 8, Texas Government Code (The TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

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

**City of Texarkana, Texas**  
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Plan provisions for the City were as follows:

	<b>Plan No. 1</b>	<b>Plan No. 2</b>	<b>Plan No. 3</b>
Employee deposit rate	7%	7%	7%
City current matching ratio	2-1	2-1	2-1
Updated Service Credit:			
Rate	100T	100T	100T
Year effective	1998R	1992R	1992R
COLA Increase	70%	70%	70%
COLA Increase year effective	1998R	1992R	1992R
Military service credit effective date	Oct. 1988	Oct. 1988	Oct. 1988
Vesting	5 years	5 years	5 years
Service retirement eligibilities	5 yrs/age 60, 20 yrs/any age	5 yrs/age 60, 20 yrs/any age	5 yrs/age 60, 20 yrs/any age
Restricted prior service credit effective date	June 1995	June 1995	June 1995

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

	<b>Plan No. 1</b>	<b>Plan No. 2</b>	<b>Plan No. 3</b>
Inactive employees or beneficiaries currently receiving benefits	89	196	119
Inactive employees entitled to but not yet receiving benefits	27	96	54
Active employees	89	203	158
Total	<u>205</u>	<u>495</u>	<u>331</u>

**Contributions**

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

Employees for the City of Texarkana, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Texarkana, Texas were as follows in calendar years 2020 and 2021.

	<b>Plan No. 1</b>	<b>Plan No. 2</b>	<b>Plan No. 3</b>
City Contribution Rate:			
2020	14.42%	15.56%	16.14%
2021	15.31%	14.76%	16.12%

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The City's contributions to TMRS for the year ended September 30, 2021 were \$874,187, \$1,351,764 and \$800,885 for Plan No. 1, Plan No. 2, and Plan No. 3, respectively, and were equal to the required contributions.

Net Pension Liability

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

**Actuarial Assumptions**

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

Inflation	2.50%
Overall payroll growth	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study dated December 31, 2019. In conjunction with these changes first used in the December 31, 2019 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. 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.

**City of Texarkana, Texas**  
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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, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return (Arithmetic)</b>
International equity	30.00%	5.30%
Core fixed income	10.00%	1.25%
Non-core fixed income	20.00%	4.14%
Real return	10.00%	3.85%
Real estate	10.00%	4.00%
Absolute return	10.00%	3.48%
Private equity	10.00%	7.75%
Total	<u>100.00%</u>	

**Discount Rate**

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

**City of Texarkana, Texas**  
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**CHANGES IN NET PENSION LIABILITY**

**PLAN NO. 1**

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Balance at October 1, 2020	\$ 48,523,779	\$ 45,473,789	\$ 3,049,990
Changes for the year:			
Service cost	998,632	-	998,632
Interest	3,234,448	-	3,234,448
Difference between expected and actual experience	61,950	-	61,950
Changes of assumptions	-	-	-
Contributions - employer	-	830,758	(830,758)
Contributions - employee	-	406,184	(406,184)
Net investment income	-	3,449,967	(3,449,967)
Benefit payments, including refunds of employee contributions	(2,210,707)	(2,210,707)	-
Administrative expense	-	(22,335)	22,335
Other changes	-	(872)	872
Net changes	<u>2,084,323</u>	<u>2,452,995</u>	<u>(368,672)</u>
Balance at September 30, 2021	<u>\$ 50,608,102</u>	<u>\$ 47,926,784</u>	<u>\$ 2,681,318</u>

**CHANGES IN NET PENSION LIABILITY**

**PLAN NO. 2**

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Balance at October 1, 2020	\$ 55,941,061	\$ 50,197,237	\$ 5,743,824
Changes for the year:			
Service cost	1,345,151	-	1,345,151
Interest	3,684,724	-	3,684,724
Difference between expected and actual experience	(381,801)	-	(381,801)
Changes of assumptions	-	-	-
Contributions - employer	-	1,299,226	(1,299,226)
Contributions - employee	-	584,485	(584,485)
Net investment income	-	3,768,811	(3,768,811)
Benefit payments, including refunds of employee contributions	(2,923,425)	(2,923,425)	-
Administrative expense	-	(24,410)	24,410
Other changes	-	(952)	952
Net changes	<u>1,724,649</u>	<u>2,703,735</u>	<u>(979,086)</u>
Balance at September 30, 2021	<u>\$ 57,665,710</u>	<u>\$ 52,900,972</u>	<u>\$ 4,764,738</u>

**City of Texarkana, Texas**  
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**CHANGES IN NET PENSION LIABILITY**  
**PLAN NO. 3**

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Balance at October 1, 2020	\$ 28,687,658	\$ 25,559,973	\$ 3,127,685
Changes for the year:			
Service cost	829,632	-	829,632
Interest	1,933,786	-	1,933,786
Change of benefit terms	-	-	-
Difference between expected and actual experience	(25,408)	-	(25,408)
Changes of assumptions	-	-	-
Contributions - employer	-	804,186	(804,186)
Contributions - employee	-	349,598	(349,598)
Net investment income	-	1,953,597	(1,953,597)
Benefit payments, including refunds of employee contributions	(1,335,000)	(1,335,000)	-
Administrative expense	-	(12,646)	12,646
Other changes	-	(493)	493
Net changes	<u>1,403,010</u>	<u>1,759,242</u>	<u>(356,232)</u>
Balance at September 30, 2021	<u>\$ 30,090,668</u>	<u>\$ 27,319,215</u>	<u>\$ 2,771,453</u>

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

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

	<b>1% Decrease in Discount Rate (5.75%)</b>	<b>Discount Rate (6.75%)</b>	<b>1% Increase in Discount Rate (7.75%)</b>
City's net pension liability:			
Plan No. 1	\$ 10,248,093	2,681,318	\$ (3,454,050)
Plan No. 2	13,013,546	4,764,738	(295,824)
Plan No. 3	6,751,319	2,771,453	(68,158)

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tMrs.com](http://www.tMrs.com).

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

For the year ended September 30, 2021, the City recognized pension expense of \$983,601, \$1,068,003 and \$640,057 in Plan No. 1, Plan No. 2 and Plan No. 3, respectively.

**City of Texarkana, Texas**  
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At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**SCHEDULE OF OUTFLOWS AND INFLOWS**  
**PLAN NO. 1**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,300,488
Changes in actuarial assumptions	48,465	1,997
Differences between expected and actual experience	50,727	542,161
Contributions made after December 31, 2020 but before September 30, 2021	628,085	-
Total	\$ 727,277	\$ 1,844,646

**SCHEDULE OF OUTFLOWS AND INFLOWS**  
**PLAN NO. 2**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,529,161
Changes of assumptions	310,510	-
Differences between expected and actual experience	16,598	530,013
Contributions made after December 31, 2020 but before September 30, 2021	964,332	-
Total	\$ 1,291,440	\$ 2,059,174

**City of Texarkana, Texas**  
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**SCHEDULE OF OUTFLOWS AND INFLOWS**  
**PLAN NO. 3**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 571,713
Changes of assumptions	29,868	-
Differences between expected and actual experience	23,946	295,716
Contributions made after December 31, 2020 but before September 30, 2021	<u>607,796</u>	<u>-</u>
Total	<u>\$ 661,610</u>	<u>\$ 867,429</u>

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Plan No. 1</u>	<u>Plan No. 2</u>	<u>Plan No. 3</u>
2021	\$ (745,232)	\$ (636,093)	\$ (348,187)
2022	(128,460)	(464,808)	(294,101)
2023	(835,622)	134,501	34,534
2024	(41,975)	(765,666)	(205,860)
2025	5,835	-	-
Thereafter	-	-	-
Total	<u>\$ (1,745,454)</u>	<u>\$ (1,732,066)</u>	<u>\$ (813,615)</u>

***Texarkana Firefighter’s Relief and Retirement Fund (FRRF)***

***General Information about the Retirement Plan***

*Plan Description*

The City contributes to the retirement plan for firefighters in the Texarkana Fire Department known as the Texarkana Firemen’s Relief and Retirement fund (the Plan). The Plan is a single employer, contributory, defined benefit plan. The benefit provisions of the Plan are authorized by the Texas Local Fire Fighters’ Retirement Act of 1937 (Act). The purpose of the Plan is to provide for the receipt, control, handling, management and dispersing of assets accumulated in the Plan, which has been established for the purpose of providing certain benefits upon retirement for participants/employees under the provisions of the Plan.

**City of Texarkana, Texas**  
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The Plan is administered by a seven-member Board of Trustees. The City does not have access to nor can it utilize assets within the retirement plan trust. The Plan issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained in writing from the Texarkana Firemen’s Relief and Retirement Fund at P.O. Box 6083, Longview, TX 75608. See that report for all information about the Plan fiduciary net position.

Benefits Provided

The Plan provides service retirement, death, disability, and termination benefits. The benefits fully vest after 20 years of credited service. Members may retire at attainment of age 50 and completion of 20 years of service. The Plan provides a monthly normal service retirement benefit, payable in a joint and two-thirds to surviving spouse form of annuity equal to 3.09% of the member’s highest 36-month average salary, multiplied by years of credited service as of date of termination. The Plan provides an optional form of retirement benefit, payable in a joint and 100% to surviving spouse form of annuity, which allows members to adjust the amount and longevity of the monthly benefit.

A retiring member eligible for normal service retirement with certain minimum combinations of years of service and age has the option to elect the Retroactive Deferred Retirement Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced monthly benefit.

The benefit provisions of the Plan are authorized by the Act. The Act provides the authority and procedure to amend benefit provisions. There is no provision for automatic postretirement benefit increases. The Plan has the authority to provide for ad hoc postretirement benefit increases. Effective, October 1, 2014, the Plan was amended for a \$19 increase in monthly benefits and a minimum monthly benefit of \$1,022 for retired, disabled, vested terminated members, and surviving spouses.

Members Covered by the Fund

The membership consisted of the following as of December 31, 2020:

Retirees and beneficiaries currently receiving benefits	73
Active employees	78
Total	<u>151</u>

Funding Policy

The contribution provisions of the Plan are authorized by the Act. The Act provides the authority and procedures to change the amount of contributions determined as a percentage of pay by each member and a percentage of payroll by the City.

**City of Texarkana, Texas**  
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While the contribution requirements are not actuarially determined, state law requires that each plan benefits adopted by the Plan must be approved by an eligible actuary. The actuary certifies that the contribution commitment by the members and the City provides an adequate financing arrangement. Using the entry age actuarial cost method, the plan's normal cost contribution rate is determined as a percentage of payroll.

The funding policy of the Texarkana Firemen's Relief and Retirement Fund requires contributions by the members at the rate elected by the members according to the Act. The City's contribution rate is determined annually by the City. Contributions for the year ended December 31, 2020 were as follows:

	Amount	Percentage
Employer	\$ 893,720	19.5%
Members	618,424	13.5%

The costs of administering the plan are paid from the use of investment earnings.

*Net Pension Liability*

The Plan's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by a special study based on the actuarial valuation as of December 31, 2020. The components of the net pension liability of the employer on December 31, 2020 were as follows:

Total pension liability	\$ 46,019,024	
Plan fiduciary net position	(40,917,203)	
City's net pension liability	\$ 5,101,821	
Plan fiduciary net position as a percentage of the total pension liability	88.9%	

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
**September 30, 2021**

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment return	7.6%, net of pension plan investment expense, including inflation
Administrative expense	0.90% of payroll
Salary increases	3.0%, plus promotion, step and longevity increases that vary by service
Total payroll growth	3.0% per annum

Mortality rates were based on the RP-2014 Blue Collar Mortality Tables adjusted backward to 2006 with Scale MP-2014 and projected generationally with Scale MP-2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of December 31, 2020, (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Equities	
Large/all cap domestic	5.70%
Small/mid cap domestic	6.20%
International developed	6.20%
Emerging markets	7.70%
Fixed income	
Domestic core	1.20%
Domestic high yield	2.70%
Global	1.70%
Cash	0.00%

**City of Texarkana, Texas**  
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Discount Rate

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that the City contribution would equal to 19.50% of payroll and that member contributions would equal 13.50% of compensation. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

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

The following presents the net pension liability of the City of Texarkana, calculated using the discount rate of 7.60%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60%) or 1-percentage-point higher (8.60%) than the current rate:

	<b>1% Decrease (6.6%)</b>	<b>Current Discount Rate (7.6%)</b>	<b>1% Increase (8.6%)</b>
City’s net pension liability	\$ 10,114,951	\$ 5,101,821	\$ 881,589

Plan Fiduciary Net Position

The Plan fiduciary net position reported above is the same as reported by the Fund. Detailed information about the Plan fiduciary net position is available in the Plan’s separately issued audited financial statements, which are reported using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Member and employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investment transactions are recorded as of the date a transaction is agreed upon and investment income, from interest and dividends, is recorded when earned or declared. All other expenses are recognized when incurred.

**City of Texarkana, Texas**  
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***Changes in the Net Pension Liability***

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Amounts as of September 30, 2020	\$ 44,298,320	\$ 36,402,489	\$ 7,895,831
Changes for the year:			
Service cost	919,951	-	919,951
Interest	3,340,094	-	3,340,094
Differences between expected and actual experience	-	-	-
Contributions by the City	-	893,720	(893,720)
Contributions by the members	-	618,424	(618,424)
Net investment income	-	5,603,285	(5,603,285)
Benefit payments	(2,539,341)	(2,539,341)	-
Administrative expenses	-	(61,374)	61,374
Assumption changes	-	-	-
Net changes	1,720,704	4,514,714	(2,794,010)
Amounts as of September 30, 2021	\$ 46,019,024	\$ 40,917,203	\$ 5,101,821

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

For the year ended September 30, 2021, the City's GASB 68 pension expense was \$267,042. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates. The components of pension expense for the fiscal year ended September 30, 2021, are as follows:

Service cost	\$ 919,951
Interest	3,340,094
Member contributions	(618,424)
Projected earnings on pension plan investments	(2,725,223)
Amortization of differences between projected and actual earnings on plan investments	(702,867)
Amortization of changes of assumptions	233,865
Amortization of differences between expected and actual experience	(241,728)
Pension plan administrative expenses	61,374
Total pension expense	<u>\$ 267,042</u>

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
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At September 30, 2021, the City reported deferred outflows of resources related to the Fire Pension plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 3,143,053
Changes of assumptions	1,164,703	4,986
Differences between expected and actual experience	61,017	757,706
Contributions made after December 31, 2020 but before September 30, 2021	-	-
	639,492	-
<b>Total</b>	<b>\$ 1,865,212</b>	<b>\$ 3,905,745</b>

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended September 30</b>	<b>Deferred Outflows (Inflows) of Resources</b>
2022	\$ (731,412)
2023	(312,338)
2024	(1,236,737)
2025	(483,314)
2026	83,776
Thereafter	-
<b>Total</b>	<b>\$ (2,680,025)</b>

**Note 15: Other Postemployment Health Care Benefits**

Postemployment medical and dental benefits (OPEB) are provided to eligible retirees, their spouses and dependents through the City's self-insured health plan. The City and Texarkana Water Utilities both provide these postemployment benefits through single-employer defined benefit OPEB plans. Each plan has a separate actuarial valuation and are reported separately in the following disclosures. For each plan, no assets are accumulated in a trust that meet the criteria of GASB Statement No. 75.

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
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**City OPEB Plan**

***Benefits Provided***

Employees hired before January 1, 2010 are eligible to receive a lump sum payment for up to 720 sick leave hours upon retirement. Fire operations are eligible to receive a lump sum payment for up to 1,080 sick leave hours. These employees are also eligible to receive the dollar value of up to 720 sick leave hours, or up to 1,080 sick leave hours for Fire Operations, placed into an account for retiree health and /or dental coverage premium payments. The account balance can only be used to replace the premiums the participant would have paid for retiree medical and/or dental insurance coverage provided by the City. The participant must elect retiree insurance coverage immediately upon retirement and any election decision shall not be deferred for any reason. All age and tenure requirements must comply with pension guidelines of the Texas Municipal Retirement System or the Texarkana Firemen’s Relief and Retirement Fund at the time of retirement to qualify for this program.

Employees hired on or after January 1, 2010 are eligible to receive a lump sum payment for up to 720 sick leave hours. Fire operations are eligible to receive a lump sum payment for up to 1,080 sick leave hours. These employees have the option to receive a lump sum payment for sick leave hours or to have the dollar value of sick leave hours deposited in an account for use by the retiree to purchase retiree health and/or dental coverage provided by the City, but not both. The participant must elect retiree insurance coverage immediately upon retirement and any election decision shall not be deferred for any reason. All age and tenure requirements must comply with pension guidelines at the time of retirement to qualify for this program.

At the October 1, 2019 valuation date, the following employees were covered by the benefit terms:

	<b>9/30/2021</b>
Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	289
Total	298

**Contributions**

Benefit levels and contribution rates are approved annually by City management and the City Council as part of the budget process. The City does not make advance funding contributions, but instead operates under a pay-as-you-go method. Therefore, the plan is not accounted for as a trust fund and does not issue a separate financial report.

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
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Net OPEB Liability and Actuarial Assumptions

The City's Net OPEB Liability was measured as of September 30, 2021, and Total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of October 1, 2019, using the following actuarial assumptions:

Inflation	2.00% per annum
Salary inflation	3.00% per annum
Discount rate	2.43% per annum, which includes inflation (prior year was 2.14%)
Healthcare cost trend rates	9.53% initial medical trend rate for retirees decreasing to an ultimate rate of 4.60% in the year 2051

Mortality rates were updated and are based upon the RP-2014h sex distinct mortality improvement table with generational mortality improvement scale MP-2019

	<b>Net OPEB Liability</b>
Balance at 9/30/2020	\$ 16,475,274
Changes for the year:	
Service cost	927,854
Interest	369,441
Difference in expected and actual experience	-
Change in assumptions	(501,940)
Benefit payments	(279,063)
Net changes	<u>516,292</u>
Balance at 9/30/2021	<u>\$ 16,991,566</u>

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

The following presents the net OPEB liability of the City calculated using the discount rate of 2.43%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.43%) or 1% higher (3.43%) than the current rate. This is also calculated using healthcare cost trend rates.

<b>Discount Rate Sensitivity</b>		
<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
<b>1.43%</b>	<b>2.43%</b>	<b>3.43%</b>
\$ 18,768,300	\$ 16,991,566	\$ 15,350,409

**City of Texarkana, Texas**  
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Healthcare Cost Trend Rate		
1% Decrease	Discount Rate	1% Increase
8.53%	9.53%	10.53%
\$ 14,558,054	\$ 16,991,566	\$ 19,918,721

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the City recognized the OPEB expense of \$1,728,801.

At September 30, 2021, the City had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 217,470	\$ 1,971
Changes of assumptions	2,029,991	439,197
Total	\$ 2,247,461	\$ 441,168

The amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Year September 30	Deferred Outflows/(Inflows) of Resources
2022	\$ 431,506
2023	431,506
2024	431,505
2025	212,605
2026	180,956
Thereafter	118,215
	\$ 1,806,293

***TWU OPEB Plan***

***Benefits Provided***

In addition to the retirement benefits described above, eligible employees hired before January 1, 2010 receive upon retirement 1) a lump sum payment of their sick leave balance at retirement which is equal to their sick leave hours (limited to 720 hours for non-Civil Service) valued at the employee's current hourly pay rate, and 2) an additional amount equal to their sick leave balance used to pay future monthly healthcare contributions.

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
**September 30, 2021**

Since the sick leave balance can only be used for healthcare, it is required to be included as another post-employment benefit (OPEB).

Upon retirement, eligible employees hired after January 1, 2010 may choose either a lump sum payment of up to 720 hours of sick leave at their current rate of pay or an equivalent amount to be used to pay future monthly healthcare contributions, but they cannot get both. Once retirees participating in postemployment health care benefits reach sufficient age to become Medicare eligible, they can no longer remain on the insurance, but if they enroll in Medicare, their Medicare supplement premiums can then be paid from any remaining sick leave buyout balance. Eligible employees who retire at Medicare eligible age cannot remain on the employer insurance, but their Medicare supplement premiums can be paid from their sick leave buyout balance.

Eligible employees who choose to remain on the employer insurance are allowed to continue any coverage they may have at retirement, which includes self, spouse, children, and family coverage options, but those coverage options cannot be added post retirement.

At the October 1, 2019, valuation date, the following employees were covered by the benefit terms:

Actives	131
Retirees	11
Total	142

Contributions

Benefit levels and contribution rates are approved annually by City management and the City Council as part of the budget process. The Utility does not make advance funding contributions, but instead operates under a pay-as-you-go method. Therefore, the plan is not accounted for as a trust fund and does not issue a separate financial report.

Net OPEB Liability

The Utility’s Net OPEB Liability was measured as of September 30, 2021, and Total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of October 1, 2019.

Actuarial methods and assumptions

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. Under this method, a projected retirement benefit at assumed retirement age is computed for each participant using anticipated future pay increases. The normal cost for each participant is computed as the level percentage of pay which, if paid from each participant’s date of employment by the employer or any predecessor employer (thus, entry age) to his assumed retirement date, would accumulate with interest at the rate assumed in the valuation to an amount sufficient to fund his projected retirement benefit. The normal cost for the plan is the total of the individually computed normal costs for all participants including the costs for any death or disability benefits under the plan.

**City of Texarkana, Texas**  
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The accrued liability at any point in time for an active participant is the theoretical fund that would have been accumulated on his behalf from his normal cost payments and the earnings thereon for all prior years if the plan had always been in effect. For persons receiving benefits or entitled to a deferred vested retirement income the accrued liability cost is equal to the present value of their future benefit payments. The accrued liability for the plan is the total of the individually computed accrued liability for all participants. The unfunded accrued liability for the plan is the excess of the accrued liability over the assets which have been accumulated for the plan.

It should be noted that the accrued liability as of any date is not the actuarially computed present value of accrued or accumulated benefits as of that date. The accrued liability is the portion of the ultimate cost assigned to prior years by the cost method being used.

Valuation Date	October 1, 2020
Measurement Date	September 30, 2021
Discount Rate for Valuing Liabilities	2.43% per annum
Mortality rates	Non-Annuitants: Sex distinct headcount weighted 2010 PUB mortality table for general employees with mortality improvement scale MP-2020 Annuitants: Sex distinct headcount weighted 2010 PUB mortality table for general retirees with mortality improvement scale MP-2020
Assumed Sick Leave Balance	Active participants accrued sick leaves at retirement was multiplied by their projected rate of pay at retirement to get the estimated balance of funds TWU would spend on behalf of eligible retirees for retiree healthcare premiums. Retirees use actual sick leave balance.
Disability rates	None
Payroll Increase	3.00%, per annum
Participation Rate Assumption	100% of those with an accrued balance at retirement are assumed to elect medical coverage and 25% of retirees are assumed to cover their spouse.

	<b>Texarkana, Texas</b>
	<b>Water Utilities</b>
Balance as of 9/30/2020	\$ 1,050,916
Changes for the year:	
Service cost	44,722
Interest on total OPEB liability	23,292
Difference between expected and actual experience	(4,461)
Effect of assumptions changes or inputs	(124,167)
Benefit payments	(52,971)
Balance as of 9/30/2021	\$ 937,331

**City of Texarkana, Texas**  
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***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the total OPEB liability of the Utility calculated using the discount rate of 2.34%, as well as what the Utility's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.34%) or 1% higher (3.34%) than the current rate. This is also calculated using healthcare cost trend rates.

<b>Discount Rate Sensitivity</b>		
<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
<b>1.34%</b>	<b>2.34%</b>	<b>3.34%</b>
\$ 1,017,810	\$ 937,331	\$ 899,466

<b>Healthcare Cost Trend Rate</b>		
<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
<b>5.60/6.70%</b>	<b>6.60/7.70%</b>	<b>7.60/8.70%</b>
\$ 934,229	\$ 937,331	\$ 939,732

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended September 30, 2021, the Utility recognized the OPEB income of \$204,731.

At September 30, 2021, the Utility had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 14,285
Changes of assumptions	56,145	816,396
Total	\$ 56,145	\$ 830,681

The amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
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<b>Measurement Year September 30</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2022	\$ (244,508)
2023	(244,508)
2024	(244,509)
2025	(4,331)
2026	(18,383)
Thereafter	(18,298)
	<u>\$ (774,537)</u>

**Note 16: Deferred Compensation Plan**

The City offers its employees a deferred compensation 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. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City's plan was amended effective January 1, 1997 to provide that all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

The City has delegated administrative and investment responsibilities to a third-party administrator, Mission Square, and as such, the plan assets do not meet the requirements for inclusion in the City's financial statements at September 30, 2021.

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 17: Classification of Governmental Fund Balances**

The table below presents a summary of the September 30, 2021, governmental fund balances by fund type and specific purpose. With the exception of nonspendable fund balances, fund balance is presented based on specific purpose. For the general fund, special revenue funds, debt service fund and capital projects funds, the specific purpose of the fund balance is determined by the governmental function for which the funds are restricted, committed, assigned or unassigned.

	General	Debt Service	TIRZ #1	American Rescue Plan Grant	Other Governmental Funds	Total Governmental Funds
Fund Balances:						
Nonspendable for:						
Investment in joint venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loans receivable	-	-	-	-	3,412,246	3,412,246
Restricted						
Court security and technology	-	-	-	-	433,767	433,767
Law enforcement	-	-	-	-	400,200	400,200
Health and welfare	4,878	-	-	-	1,483,517	1,488,395
Public safety radio	-	-	-	-	145,358	145,358
Debt service	-	349,310	-	-	-	349,310
Tourism	-	-	-	-	930,897	930,897
Capital improvements	-	-	2,814,729	-	4,868,436	7,683,165
Tax Increment Reinvestment Zone	-	-	-	-	-	-
Committed						
Economic development	-	-	-	-	1,931,875	1,931,875
Assigned						
Subsequent year's expenditures	1,727,000	-	-	-	-	1,727,000
Building maintenance	107,019	-	-	-	-	107,019
Personnel	308,676	-	-	-	-	308,676
Technology	331,148	-	-	-	-	331,148
Capital improvements	2,896,694	-	-	-	-	2,896,694
Insurance	172,791	-	-	-	-	172,791
Water projects	2,527,319	-	-	-	-	2,527,319
Grant matching	1,288,101	-	-	-	756,696	2,044,797
Unassigned						
General fund	18,307,622	-	-	-	-	18,307,622
Special revenue funds	-	-	-	(264,689)	(1,265,200)	(1,529,889)
Total Fund Balances	<u>\$ 27,671,248</u>	<u>\$ 349,310</u>	<u>\$ 2,814,729</u>	<u>\$ (264,689)</u>	<u>\$ 13,097,792</u>	<u>\$ 43,668,390</u>

**Note 18: Tax Abatements**

The City Council authorized Resolution 2016-121 and entered into a contract on February 27, 2017 to fund a rebate of an amount not to exceed 50% of the City's portion of the ad valorem tax paid by a real estate holding company for a term not to exceed five years beginning January 1, 2018 and ending December 31, 2023. The agreement has a potential to be renewed for an additional five-year period. \$7,820 of ad valorem taxes were abated for the fiscal year ending September 30, 2021.

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
**September 30, 2021**

The City Council authorized Resolution 2018-064 and entered into a contract on June 11, 2018, to fund a rebate not to exceed \$615,000 of a portion of ad valorem taxes for property and a portion of the sales taxes paid by a local automobile dealership and collected by the City derived from the new business facilities to be constructed at the specified location for a term not to exceed 10 years. No amount of ad valorem taxes or sales taxes were abated for the fiscal year ending September 30, 2021.

The City Council entered into a contract on February 12, 2021 to fund a rebate not to exceed 75% of the City's portion of the paid ad valorem taxes for the development of a mini warehouse and a boat/RV storage facility located at Airline and Richmond Road in Texarkana, Bowie County, Texas with the potential for additional phases of development in the future. No amount of ad valorem taxes or sales taxes were abated for the fiscal year ending September 30, 2021.

**Note 19: Contingent Liabilities**

***Litigation***

The City is a party to several legal actions arising in the ordinary course of its business. In the opinion of the City's management, upon advice of the City Attorney, the City has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe that they will materially affect the City's operations or financial position.

**Note 20: Subsequent Pronouncements**

The Governmental Accounting Standards Board recently issued the following statements not yet implemented by the City of Texarkana, Texas. The statements which might impact the City are as follows:

Statement No. 87, *Leases*, issued in June 2017, will be effective for the fiscal year ending September 30, 2022. This Statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangement.

**City of Texarkana, Texas**  
**Notes to Financial Statements**  
**September 30, 2021**

Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements*, is effective for the fiscal year ending September 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs).

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, is effective for the fiscal year ending September 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement. No. 87, *Leases*, as amended.

**Note 21: Subsequent Events**

In October 2022, the City of Texarkana issued Series 2022 Certificates of Obligation bonds in the amount of \$20,475,000.



**Required Supplementary Information**

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**TMRS PLAN #1 - Police Officers**

***SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS***  
***LAST 10 YEARS***

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

	Measurement Date 12/31/2014	Measurement Date 12/31/2015	Measurement Date 12/31/2016	Measurement Date 12/31/2017	Measurement Date 12/31/2018	Measurement Date 12/31/2019	Measurement Date 12/31/2020
1. Total Pension Liability							
a. Service cost	\$ 968,730	\$ 969,892	\$ 940,760	\$ 1,006,085	\$ 1,047,904	\$ 1,003,968	\$ 998,633
b. Interest	2,746,753	2,842,733	2,830,664	2,946,678	3,037,916	3,106,492	3,234,448
c. Changes of benefit provisions							
d. Difference between expected and actual experience	(647,060)	(710,991)	(333,866)	(668,606)	(682,086)	121,452	61,950
e. Changes of assumptions	-	(72,483)	-	-	-	74,948	-
f. Benefit payments	(1,738,559)	(1,657,168)	(1,721,423)	(1,781,542)	(2,125,264)	(2,606,389)	(2,210,707)
g. Net Change in Total Pension Liability	1,329,864	1,371,983	1,716,135	1,502,615	1,278,470	1,700,471	2,084,324
h. Total Pension Liability - Beginning	39,624,241	40,954,106	42,326,088	44,042,223	45,544,838	46,823,308	48,523,779
i. Total Pension Liability - Ending	<u>\$ 40,954,105</u>	<u>\$ 42,326,089</u>	<u>\$ 44,042,223</u>	<u>\$ 45,544,838</u>	<u>\$ 46,823,308</u>	<u>\$ 48,523,779</u>	<u>\$ 50,608,103</u>
2. Plan Fiduciary Net Position							
a. Contributions by the City	\$ 988,531	\$ 966,327	\$ 905,636	\$ 933,545	\$ 961,461	\$ 874,104	\$ 830,758
b. Contributions by the Employees	381,042	389,200	378,249	405,446	422,542	407,643	406,184
c. Net investment income	1,977,814	53,356	2,424,238	5,243,846	(1,276,203)	6,269,849	3,449,967
d. Benefit payments	(1,738,559)	(1,657,168)	(1,721,423)	(1,781,542)	(2,125,264)	(2,606,389)	(2,210,707)
e. Administrative Expenses	(20,649)	(32,500)	(27,384)	(27,176)	(24,667)	(35,436)	(22,335)
f. Other	(1,698)	(1,605)	(1,475)	(1,378)	(1,289)	(1,064)	(871)
g. Net Change in Plan Fiduciary Net Position	1,586,481	(282,390)	1,957,841	4,772,741	(2,043,420)	4,908,707	2,452,996
h. Plan Fiduciary Net Position - Beginning	34,573,828	36,160,309	35,877,919	37,835,760	42,608,502	40,565,082	45,473,789
i. Plan Fiduciary Net Position - ending	<u>\$ 36,160,309</u>	<u>\$ 35,877,919</u>	<u>\$ 37,835,760</u>	<u>\$ 42,608,501</u>	<u>\$ 40,565,082</u>	<u>\$ 45,473,789</u>	<u>\$ 47,926,785</u>
3. City's Net Pension Liability - Ending [Item 1(i)-2(i)]	\$ 4,793,796	\$ 6,448,169	\$ 6,206,463	\$ 2,936,336	\$ 6,258,226	\$ 3,049,990	\$ 2,681,318
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.30%	84.80%	85.90%	93.55%	86.63%	93.71%	94.70%
5. Covered Payroll for Year (Estimated)	\$ 5,443,456	\$ 5,554,938	\$ 5,403,560	\$ 5,792,085	\$ 6,036,315	\$ 5,823,478	\$ 5,802,625
6. City's Net Pension Liability as a Percentage of Covered Payroll	88.10%	116.10%	114.86%	50.70%	103.68%	52.37%	46.21%

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**TMRS PLAN #2 - Other City Employees**

***SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS***  
***LAST 10 YEARS***

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

	Measurement Date 12/31/2014	Measurement Date 12/31/2015	Measurement Date 12/31/2016	Measurement Date 12/31/2017	Measurement Date 12/31/2018	Measurement Date 12/31/2019	Measurement Date 12/31/2020
1. Total Pension Liability							
a. Service cost	\$ 1,199,684	\$ 1,300,193	\$ 1,297,239	\$ 1,361,395	\$ 1,367,147	\$ 1,355,020	\$ 1,345,152
b. Interest	3,070,141	3,180,026	3,199,561	3,310,801	3,461,015	3,559,680	3,684,724
c. Changes of benefit provisions						-	-
d. Difference between expected and actual experience	(470,023)	(507,874)	106,689	327,831	(702,934)	(404,645)	(381,801)
e. Changes of assumptions		238,953				461,978	-
f. Benefit payments	(2,135,093)	(2,277,497)	(2,610,374)	(2,443,517)	(2,913,332)	(2,717,867)	(2,923,425)
g. Net Change in Total Pension Liability	1,664,709	1,933,801	1,993,115	2,556,510	1,211,896	2,254,166	1,724,650
h. Total Pension Liability - Beginning	44,326,864	45,991,573	47,925,374	49,918,489	52,474,999	53,686,895	55,941,061
i. Total Pension Liability - Ending	<u>\$ 45,991,573</u>	<u>\$ 47,925,374</u>	<u>\$ 49,918,489</u>	<u>\$ 52,474,999</u>	<u>\$ 53,686,895</u>	<u>\$ 55,941,061</u>	<u>\$ 57,665,711</u>
2. Plan Fiduciary Net Position							
a. Contributions by the City	\$ 1,182,575	\$ 1,248,098	\$ 1,191,057	\$ 1,286,363	\$ 1,326,274	\$ 1,321,229	\$ 1,299,226
b. Contributions by the Employees	526,260	551,597	538,593	569,621	576,359	576,955	584,485
c. Net investment income	2,202,368	59,293	2,695,784	5,722,307	(1,386,764)	6,799,718	3,768,811
d. Benefit payments	(2,135,093)	(2,277,497)	(2,610,374)	(2,443,517)	(2,913,332)	(2,717,867)	(2,923,425)
e. Administrative Expenses	(22,995)	(36,119)	(30,454)	(29,664)	(26,813)	(38,454)	(24,410)
f. Other	(1,891)	(1,784)	(1,641)	(1,504)	(1,401)	(1,156)	(952)
g. Net Change in Plan Fiduciary Net Position	1,751,224	(456,412)	1,782,965	5,103,606	(2,425,677)	5,940,425	2,703,736
h. Plan Fiduciary Net Position - Beginning	38,501,107	40,252,331	39,795,919	41,578,884	46,682,490	44,256,813	50,197,238
i. Plan Fiduciary Net Position - ending	<u>\$ 40,252,331</u>	<u>\$ 39,795,919</u>	<u>\$ 41,578,884</u>	<u>\$ 46,682,490</u>	<u>\$ 44,256,813</u>	<u>\$ 50,197,238</u>	<u>\$ 52,900,974</u>
3. City's Net Pension Liability - Ending [Item 1(i)-2(i)]	\$ 5,739,242	\$ 8,129,455	\$ 8,339,605	\$ 5,792,509	\$ 9,430,082	\$ 5,743,823	\$ 4,764,737
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.50%	83.00%	83.30%	88.96%	82.41%	89.74%	91.74%
5. Covered Payroll for Year (Estimated)	\$ 7,517,730	\$ 7,879,692	\$ 7,694,181	\$ 8,137,195	\$ 8,269,165	\$ 8,198,698	\$ 8,349,787
6. City's Net Pension Liability as a Percentage of Covered	76.30%	103.20%	108.40%	71.19%	114.04%	70.06%	57.06%

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**TMRS PLAN #3 - Water Utilities**

***SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS***  
***LAST 10 YEARS***

	Measurement Date 12/31/2014	Measurement Date 12/31/2015	Measurement Date 12/31/2016	Measurement Date 12/31/2017	Measurement Date 12/31/2018	Measurement Date 12/31/2019	Measurement Date 12/31/2020
1. Total Pension Liability							
a. Service cost	\$ 641,973	\$ 663,135	\$ 675,932	\$ 703,862	\$ 723,455	\$ 760,242	\$ 824,764
b. Interest	1,594,823	1,643,709	1,638,155	1,726,802	1,764,601	1,834,003	1,925,847
c. Changes of benefit provisions							
d. Difference between expected and actual experience	(635,746)	(497,533)	(42,992)	(405,743)	44,324	(202,779)	(25,304)
e. Changes of assumptions		100,711				38,426	-
f. Benefit payments	(1,029,300)	(948,775)	(1,234,149)	(1,163,480)	(1,430,008)	(1,261,115)	(1,329,520)
g. Net Change in Total Pension Liability	571,750	961,247	1,036,946	861,441	1,102,372	1,168,777	1,395,787
h. Total Pension Liability - Beginning	22,976,845	23,548,595	24,509,842	25,546,789	26,408,230	27,510,602	28,679,379
i. Total Pension Liability - Ending	<u>\$ 23,548,595</u>	<u>\$ 24,509,842</u>	<u>\$ 25,546,788</u>	<u>\$ 26,408,230</u>	<u>\$ 27,510,602</u>	<u>\$ 28,679,379</u>	<u>\$ 30,075,166</u>
2. Plan Fiduciary Net Position							
a. Contributions by the City	\$ 767,302	\$ 713,523	\$ 653,633	\$ 695,700	\$ 732,237	\$ 745,398	\$ 800,885
b. Contributions by the Employees	303,453	298,901	289,036	300,612	307,479	324,691	348,163
c. Net investment income	1,059,822	29,037	1,332,902	2,901,396	(703,751)	3,437,613	1,945,577
d. Benefit payments	(1,029,300)	(948,775)	(1,234,149)	(1,163,480)	(1,430,008)	(1,261,115)	(1,329,520)
e. Administrative Expenses	(11,065)	(17,687)	(15,053)	(15,035)	(13,600)	(19,425)	(12,594)
f. Other	(910)	(872)	(811)	(759)	(710)	(584)	(491)
g. Net Change in Plan Fiduciary Net Position	1,089,302	74,127	1,025,558	2,718,434	(1,108,353)	3,226,578	1,752,020
h. Plan Fiduciary Net Position - Beginning	18,526,049	19,615,352	19,689,579	20,715,035	23,433,469	22,325,116	25,551,694
i. Plan Fiduciary Net Position - ending	<u>\$ 19,615,351</u>	<u>\$ 19,689,479</u>	<u>\$ 20,715,137</u>	<u>\$ 23,433,469</u>	<u>\$ 22,325,116</u>	<u>\$ 25,551,694</u>	<u>\$ 27,303,713</u>
3. City's Net Pension Liability - Ending [Item 1(i)-2(i)]	\$ 3,933,244	4,820,363	4,831,751	2,974,761	5,185,486	3,127,685	2,771,453
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.30%	80.30%	81.10%	88.74%	81.15%	89.09%	90.78%
5. Covered Payroll for Year (Estimated)	\$ 4,277,720	4,137,776	4,233,369	4,403,205	4,392,555	4,669,104	4,968,278
6. City's Net Pension Liability as a Percentage of Covered Payroll	91.90%	116.50%	114.10%	67.56%	118.05%	66.99%	55.78%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**TMRS PLAN #1 - Police Officers**

***SCHEDULE OF CONTRIBUTIONS***  
***LAST 10 FISCAL YEARS***

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Actuarially determined contributions	\$ 937,617	\$ 898,144	\$ 941,738	\$ 953,099	\$ 907,249	\$ 874,104	\$ 874,187
Contributions in relation to the actuarially determined contributions	<u>937,617</u>	<u>898,144</u>	<u>941,738</u>	<u>953,099</u>	<u>907,249</u>	<u>874,104</u>	<u>874,187</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,337,623	\$ 5,303,689	\$ 5,778,874	\$ 5,969,529	\$ 5,941,868	\$ 5,823,478	\$ 5,802,625
Contributions as a percentage of covered payroll	17.57%	16.93%	16.30%	15.97%	15.27%	15.01%	15.07%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

***NOTES TO SCHEDULE OF CONTRIBUTIONS***

**Valuation Date:**

Notes

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
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	PUB(10) Mortality Table with the Public Safety table uses for male and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

**Other Information:**

Notes

There were no benefit changes during the year.

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**TMRS PLAN #2 - Other City Employees**

***SCHEDULE OF CONTRIBUTIONS***  
***LAST 10 FISCAL YEARS***

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Actuarially determined contributions	\$ 1,212,706	\$ 1,178,109	\$ 1,279,683	\$ 1,403,756	\$ 1,385,213	\$ 1,393,102	\$ 1,351,764
Contributions in relation to the actuarially determined contributions	<u>1,212,589</u>	<u>1,177,930</u>	<u>1,276,730</u>	<u>1,403,595</u>	<u>1,385,213</u>	<u>1,393,102</u>	<u>1,351,764</u>
Contribution deficiency	<u>\$ 117</u>	<u>\$ 179</u>	<u>\$ 2,953</u>	<u>\$ 161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,675,943	\$ 7,566,064	\$ 8,134,762	\$ 8,743,195	\$ 8,630,034	\$ 8,690,585	\$ 8,850,739
Contributions as a percentage of covered payroll	15.80%	15.57%	15.69%	16.05%	16.05%	16.03%	15.27%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

***NOTES TO SCHEDULE OF CONTRIBUTIONS***

**Valuation Date:**

Notes

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
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 pursuant to an experience study of the period 2014-2018
Mortality	PUB(10) Mortality Table with the Public Safety table uses for male and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

**Other Information:**

Notes

There were no benefit changes during the year.

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**TMRS PLAN #3 - Water Utilities**

***SCHEDULE OF CONTRIBUTIONS***  
***LAST 10 FISCAL YEARS***

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Actuarially determined contributions	\$ 726,542	\$ 665,287	\$ 681,500	\$ 728,386	\$ 734,057	\$ 800,750	\$ 800,885
Contributions in relation to the actuarially determined contributions	<u>726,542</u>	<u>665,287</u>	<u>681,500</u>	<u>728,386</u>	<u>734,057</u>	<u>800,750</u>	<u>800,885</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,277,720	\$ 4,137,776	\$ 4,233,369	\$ 4,403,205	\$ 4,522,761	\$ 4,669,107	\$ 4,803,732
Contributions as a percentage of covered payroll	16.98%	16.08%	16.10%	16.54%	16.23%	17.15%	16.67%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

***NOTES TO SCHEDULE OF CONTRIBUTIONS***

**Valuation Date:**

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018
Mortality	PUB(10) Mortality Table with the Public Safety table uses for male and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

**Other Information:**

Notes There were no benefit changes during the year.

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**TEXARKANA FIREFIGHTER'S RELIEF AND RETIREMENT**  
***SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS***  
***FOR THE LAST 10 FISCAL YEARS<sup>1</sup>***

	Fiscal Year Ending 9/30/2016	Fiscal Year Ending 9/30/2017	Fiscal Year Ending 9/30/2018	Fiscal Year Ending 9/30/2019	Fiscal Year Ending 9/30/2020	Fiscal Year Ending 9/30/2021
1. Total Pension Liability						
a. Service cost	\$ 905,833	\$ 843,503	\$ 944,560	\$ 961,601	\$ 992,853	\$ 919,951
b. Interest	2,879,964	2,901,750	2,974,938	3,129,584	3,236,869	3,340,094
d. Differences between expected and actual experience	(827,723)	-	140,001	-	(950,811)	-
e. Changes of assumptions	(51,030)	-	109,232	-	1,569,361	-
f. Benefit payments	(2,545,333)	(2,581,866)	(2,386,385)	(2,829,940)	(2,646,298)	(2,539,341)
g. Net Change in Total Pension Liability	361,711	1,163,387	1,782,346	1,261,245	2,201,974	1,720,704
h. Total Pension Liability - Beginning	37,527,657	37,889,368	39,052,755	40,835,101	42,096,346	44,298,320
i. Total Pension Liability - Ending	<u>\$ 37,889,368</u>	<u>\$ 39,052,755</u>	<u>\$ 40,835,101</u>	<u>\$ 42,096,346</u>	<u>\$ 44,298,320</u>	<u>\$ 46,019,024</u>
2. Plan Fiduciary Net Position						
a. Contributions by the City	\$ 795,780	\$ 830,234	\$ 850,654	\$ 838,370	\$ 852,163	\$ 893,720
b. Contributions by the firefighters	550,925	574,778	571,029	581,331	589,959	618,424
c. Net investment income	(1,001,621)	2,020,384	4,088,103	(1,980,962)	6,308,211	5,603,285
d. Benefit payments	(2,545,333)	(2,581,866)	(2,386,385)	(2,829,940)	(2,646,298)	(2,539,341)
e. Administrative Expenses	(24,699)	(85,879)	(81,576)	(72,289)	(57,061)	(61,374)
g. Net Change in Plan Fiduciary Net Position	(2,224,948)	757,651	3,041,825	(3,463,490)	5,046,974	4,514,714
h. Plan Fiduciary Net Position - Beginning	33,244,477	31,019,529	31,777,180	34,819,005	31,355,515	36,402,489
i. Plan Fiduciary Net Position - Ending	<u>\$ 31,019,529</u>	<u>\$ 31,777,180</u>	<u>\$ 34,819,005</u>	<u>\$ 31,355,515</u>	<u>\$ 36,402,489</u>	<u>\$ 40,917,203</u>
3. City's Net Pension Liability - Ending [Item 1(i)-2(i)]	\$ 6,869,839	\$ 7,275,575	\$ 6,016,096	\$ 10,740,831	\$ 7,895,831	\$ 5,101,821
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.9%	81.4%	85.3%	74.5%	82.2%	88.9%
5. Covered Payroll for Year (Estimated)	\$ 4,080,926	\$ 4,257,615	\$ 4,229,844	\$ 4,306,156	\$ 4,370,156	\$ 4,580,919
6. City's Net Pension Liability as a Percentage of Covered Payroll	168.3%	170.9%	142.2%	249.4%	180.7%	111.4%

Notes to schedule:

<sup>1</sup> The measurement date is December 31, nine months prior to the fiscal year end. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only available information is shown. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**TEXARKANA FIREFIGHTER'S RELIEF AND RETIREMENT**

***SCHEDULE OF CITY CONTRIBUTIONS FOR LAST 10 FISCAL YEARS<sup>1</sup>***

<sup>1</sup> A schedule of City contributions is not required because the City contributions to the Fund are neither actuarially determined nor statutorily nor contractually established.

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**CITY OF TEXARKANA, TEXAS RETIREE MEDICAL PLAN**

***SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
FOR THE LAST 10 FISCAL YEARS***

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Total OPEB Liability - beginning of year	\$ 10,224,149	\$ 12,366,359	\$ 13,376,374	\$ 16,475,274
Changes for the year:				
Service cost	361,392	572,787	721,750	927,854
Interest on total OPEB liability	419,812	480,257	513,554	369,441
Difference between expected and actual experience	(4,599)	-	289,960	-
Effect of assumptions changes or inputs	1,536,912	221,537	1,659,630	(501,940)
Benefits payments	(171,307)	(264,566)	(85,994)	(279,063)
Net Changes	<u>2,142,210</u>	<u>1,010,015</u>	<u>3,098,900</u>	<u>516,292</u>
Total OPEB Liability - end of year	<u>\$ 12,366,359</u>	<u>\$ 13,376,374</u>	<u>\$ 16,475,274</u>	<u>\$ 16,991,566</u>
Covered -employee payroll	\$ 17,243,844	\$ 17,473,647	\$ 18,458,299	\$ 19,302,330
Total OPEB liability as a percentage of covered-employee payroll	71.71%	76.55%	89.26%	88.03%

This OPEB schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**TEXARKANA WATER UTILITIES RETIREE MEDICAL PLAN**

***SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
FOR THE LAST 10 FISCAL YEARS***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability - beginning of year	\$ 2,164,869	\$ 2,212,450	\$ 943,329	\$ 1,050,916
Changes for the year:				
Service cost	100,757	102,288	42,244	44,722
Interest on total OPEB liability	82,050	96,950	34,966	23,292
Difference between expected and actual experience	(112,029)	(20,023)	-	(4,461)
Effect of assumptions changes or inputs	-	(1,421,045)	84,329	(124,167)
Benefit payments	(23,197)	(27,291)	(53,952)	(52,971)
Total OPEB Liability - end of year	<u>\$ 2,212,450</u>	<u>\$ 943,329</u>	<u>\$ 1,050,916</u>	<u>\$ 937,331</u>
Covered -employee payroll	\$ 3,074,789	\$ 3,404,967	\$ 4,056,515	\$ 3,952,537
Total OPEB liability as a percentage of covered-employee payroll	71.95%	27.70%	25.91%	23.71%

This OPEB schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

No amounts are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

**Assumption changes were as follows:** The discount rate changed from 2.14% to 2.43% for 2021.

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**Nonmajor Governmental Funds**

**Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Housing and Community Development Fund** – This fund was established to account for the receipts and disbursements of Department of Housing and Urban Development Community Development Block Grant Funds.

**HOME Fund** – This fund was established to account for the repayment of loans originally funded through the HOME Program.

**Theatre Fund** – This fund was established to account to the operations of the Perot Theatre.

**Hotel/Motel Tax Fund** – This fund was established to account for the collection and distribution of hotel/motel taxes.

**Housing Fund** – This fund was established to account for the repayment of loans which are funded with non-federal, local funds under the Home Ownership Assistance Program guidelines.

**Economic Development** – This fund was established to account for additional franchise tax revenue restricted for economic development activity.

**Law Enforcement Block Grant** – This fund was established to account for the activity related to the Law Enforcement Block Grant, Weed and Seed Grant and Asset Forfeiture Program.

**Law Enforcement Programs Fund** – This fund was established to account for the activity related to the Tobacco Compliance Grant and the Law Enforcement Officer Standards and Education (LEOSE) allocations.

**Donations Fund** – This fund includes grant awards and donations given for community projects through the Texarkana, Texas Planning & Community Development Department. Programs funded from these grant awards and donations include: Texarkana, Texas Farmers Market, Believe in Beverly Campaign, City-Wide Cleanups and the Texarkana Arts & Historic District.

**Emergency Management Fund** – This fund was created to account for CARES Act funding provided through the Coronavirus Relief Fund to state, local and tribal governments navigating the impact of the COVID-19 outbreak.

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**Public Safety Radio Fund** – The City has purchased a P25 public safety communications system, which is linked to what will eventually be a statewide communications network. The local system will provide communications capabilities for law enforcement, fire fighters and public works for both sides of the City as well as numerous agencies with Bowie County. The system allows for interoperability between the various agencies in times of critical events. Ongoing maintenance and upgrades of the system are crucial. To fund this ongoing cost, a monthly fee will be assessed for each radio operating on the system and placed into this account. The funds that are collected via the fees will be used for system maintenance.

**Rotary Splash Park Fund** – This fund was established to account for the activity related to the splash pad at Spring Lake Park.

**CDBG Revolving Loans Fund** – This fund was established to account for funds related to the Community Development Block Grant (CDBG) Revolving Loan grant. This program enables the City to make loans to small businesses, microenterprises, minority and women-owned businesses and consumer cooperatives that are located in an area designated for redevelopment. Loan funds may be used for projects designed to create or retain permanent jobs.

**NEA Grant Fund** – This fund was established to account for the activity related to the National Endowment for the Arts awarded to the City of Texarkana, Texas to support the Texarkana Perot Theatre Restoration and Art Park Project.

**COC Homeless Assistance Grant Fund** – This fund was established by the City of Texarkana, Texas in the partnership with the Texarkana Friendship Center, Inc. and the Randy Sam’s Outreach Shelter to administer a comprehensive rapid-rehousing program for the homeless. This program serves 50 homeless clients per year, as well as their immediate family members all of whom will be housed in scatter site housing.

**CDBG 108 Loan Fund** – The fund was established to account for funds designed to assist community and economic development projects that will benefit low/moderate income persons by providing affordable housing in the downtown area.

**EPA Revolving Loan Fund** – This fund was established to account for fund related to the EPA Revolving Loan grant. This program enables the City to make sub grants and loans to developers seeking to redevelop contaminated properties in targeted areas of the community. Loan and grant funds may be used for clean-up activities at approved redevelopment sites.

**Emergency Solutions Grant Fund** – This fund was established to account for activity related to the grant program designed to provide the services necessary to help persons that are at-risk of homelessness or homeless quickly regain stability in permanent housing. The program is fund by the U.S. Department of Housing and Urban Development and is administered by the Texas Department of Housing and Community Affairs in the State of Texas.

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**NRDA Grant Fund** – This fund was established to account for funds related to the Natural Resources Damage Assessment grant. These funds are used to restore natural resources injured, lost, or destroyed due to releases of hazardous substances at, or from, the former Kerr-McGee Chemical Corporation wood treating facility in Texarkana.

**Farmers Market Fund** – This fund was established to account for funds related to the USDA Farmers Market Promotion Program. These funds are used to promote growth and expansion of the Farmers Market with cultural foods and events, an expanded mobile market and online ordering system, and advertising for all market activities.

**Trail Grant Fund** – This fund was established to account for funds related to the renovation and expansion of the Spring Lake Park trail and provide a unique “Walk Through History” guided trail.

**Department of Justice COVID-19 Grant Fund** – This fund was established to account Supplemental funding from the Department of Justice to assist eligible states, local units of government, and tribes in preventing, preparing for, and responding to the coronavirus.

**Defense Economic Adjustment Assistance Grant (DEAAG) Fund** – This fund was established to account for the Defense Economic Adjustment Assistance Grant funds that are awarded by the Texas Military Preparedness Commission (TMPC) to support the U.S. Army as an instrumental part of the military community in Texas.

**Narcotics Division Operations Fund** – This fund was established to account for assets legally seized and judiciously forfeited as gains of illegal and unlawful activities.

**Court Security Fund** – This fund was established to account for the security fee authorized under the Texas Code of Criminal Procedure Article 102.017 collected from defendants convicted of a misdemeanor offense as a cost of court.

**Conservation Revolving Loan Fund** – This fund was established with funds provided by the Department of Energy under the Energy Efficiency and Conservation Block Grant Program as an investment source for energy efficiency and conservation projects.

**Court Technology Fund** – This fund was established to account for the technology fee authorized under the Texas Code of Criminal Procedure Article 102.017 collected from defendants convicted of a misdemeanor offense as a cost of court.

**Federal Asset Forfeiture Fund** – This fund was established to collect the City’s portion of case settlements worked jointly with federal authorities.

**TCA Grant Fund** – Texas Commission on the Arts with funding from the National Endowment for the Arts, provided an opportunity for Cultural Districts in the State of Texas to apply for funding with the Texas Rescue Funding Grant limited to around \$2,400 per award. The Texarkana Arts and Historic District was one the Cultural Districts chosen for funding in the State of Texas

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**Small Business Administration Grant Fund** – A U.S. Small Business Administration grant known as the Shuttered Venue Operators Grant for performing arts venues that were forced to close due to COVID-19 restrictions. The City of Texarkana, TX was awarded for the Perot Theatre to recuperate revenue loss during the Spring and Summer of 2020 and was chosen as a recipient.

**Inclusive Playground at Spring Lake Park** – Members of Troop Eagle Patrol, in partnership with the City, will construct a playground that will provide a place to play for disabled and special needs children.

**City of Texarkana, Texas**  
**Required Supplementary Information**  
**September 30, 2021**

**Capital Project Funds**

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

**2005 Bond Fund** – This fund was established to account for bond proceeds used for improving streets and parks, as well as fire-fighting facilities and purchase of three fire trucks.

**2017 Bond Fund** – This fund was established to accumulate bond proceeds and allocate project expenditures as presented in the bond issuance.

**2019 TIRZ Bond Fund** – This fund was established to account for individual projects associated with the issuance of 2019 bonded debt.



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**City of Texarkana, Texas**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**September 30, 2021**

	Special Revenue Funds						
	Housing and Community Development	HOME	Theatre	Hotel/ Motel Tax	Housing	Economic Development	Law Enforcement Block Grant
<b>ASSETS</b>							
Cash	\$ -	\$ 62,558	\$ 837,111	\$ 888,869	\$ 81,868	\$ 1,921,401	\$ 22,403
Investments - certificates of deposit	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectible):							
Property taxes	-	-	-	-	-	-	-
Other taxes	-	-	-	188,843	-	-	-
Accounts	-	-	-	16,683	-	36,568	-
Other government agencies	118,361	-	-	-	-	-	-
Accrued interest	-	-	-	-	89,200	2,642	-
Loans	13,552	7,860	-	-	383,756	184,582	-
Due from other funds	1,202,000	-	-	3,500	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 1,333,913</u>	<u>\$ 70,418</u>	<u>\$ 837,111</u>	<u>\$ 1,097,895</u>	<u>\$ 554,824</u>	<u>\$ 2,145,193</u>	<u>\$ 22,403</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable	\$ 28,719	\$ -	\$ 79,051	\$ 149,797	\$ -	\$ 26,094	\$ 12,389
Contracts payable	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	245,799	-	1,364	-	-	-	8,516
Other liabilities and escrow deposits	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>274,518</u>	<u>-</u>	<u>80,415</u>	<u>149,797</u>	<u>-</u>	<u>26,094</u>	<u>20,905</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	-	-	-	-	-	-	-
Unavailable revenue - other taxes	-	-	-	17,201	-	-	-
Unavailable revenue - grants	118,361	-	-	-	-	-	-
Unavailable revenue - interest	-	-	-	-	89,200	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-	2,642	-
<b>TOTAL DEFERRED INFLOWS</b>	<u>118,361</u>	<u>-</u>	<u>-</u>	<u>17,201</u>	<u>89,200</u>	<u>2,642</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	13,552	7,860	-	-	383,756	184,582	-
Restricted	927,482	62,558	-	930,897	81,868	-	1,498
Committed	-	-	-	-	-	1,931,875	-
Assigned	-	-	756,696	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>941,034</u>	<u>70,418</u>	<u>756,696</u>	<u>930,897</u>	<u>465,624</u>	<u>2,116,457</u>	<u>1,498</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 1,333,913</u>	<u>\$ 70,418</u>	<u>\$ 837,111</u>	<u>\$ 1,097,895</u>	<u>\$ 554,824</u>	<u>\$ 2,145,193</u>	<u>\$ 22,403</u>

**City of Texarkana, Texas**  
**Combining Balance Sheet – Nonmajor Governmental Funds (Continued)**  
**September 30, 2021**

Special Revenue Funds							
Law Enforcement Programs	Donations	Emergency Management	Public Safety Radio	Rotary Splash Park	CDBG Revolving Loans	NEA Grant	
\$ 72,850	\$ 52,106	18	\$ 122,803	\$ 5	\$ 174,297	\$ -	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	555	-	-	-	
-	-	-	33,040	-	-	10,000	
-	-	-	-	-	1,158	-	
-	-	-	-	-	46,393	-	
-	6,000	-	-	-	-	5,938	
<u>\$ 72,850</u>	<u>\$ 58,106</u>	<u>\$ 18</u>	<u>\$ 156,398</u>	<u>\$ 5</u>	<u>\$ 221,848</u>	<u>\$ 15,938</u>	
\$ -	\$ -	18	\$ -	\$ -	\$ -	\$ 6,438	
-	-	-	-	-	-	-	
10,000	-	-	-	-	-	-	
-	-	-	-	-	-	9,500	
-	-	-	-	-	-	-	
<u>10,000</u>	<u>-</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,938</u>	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	11,040	-	1,158	-	
-	-	-	<u>11,040</u>	<u>-</u>	<u>1,158</u>	<u>-</u>	
-	-	-	-	-	46,393	-	
62,850	58,106	-	145,358	5	174,297	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
<u>62,850</u>	<u>58,106</u>	<u>-</u>	<u>145,358</u>	<u>5</u>	<u>220,690</u>	<u>-</u>	
<u>\$ 72,850</u>	<u>\$ 58,106</u>	<u>\$ 18</u>	<u>\$ 156,398</u>	<u>\$ 5</u>	<u>\$ 221,848</u>	<u>\$ 15,938</u>	(continued)

**City of Texarkana, Texas**  
**Combining Balance Sheet – Nonmajor Governmental Funds (Continued)**  
**September 30, 2021**

	Special Revenue Funds						
	COC Homeless Assistance Grant	CDBG 108 Loan	EPA Revolving Loan Grant	Emergency Solutions Grant	NRDA Grant	Farmers Market	Trail Grant
<b>ASSETS</b>							
Cash	\$ 16,170	\$ 90,920	\$ -	\$ -	\$ 154,184	\$ 32,652	\$ 18,395
Investments - certificates of deposit	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectible):							
Property taxes	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-
Accounts	245	-	-	-	-	-	-
Other government agencies	35,776	-	166,568	-	-	85,867	36,255
Accrued interest	-	23,779	11,442	-	-	-	-
Loans	-	1,357,550	1,418,553	-	-	-	-
Due from other funds	-	-	-	-	-	-	9,971
<b>TOTAL ASSETS</b>	<b>\$ 52,191</b>	<b>\$ 1,472,249</b>	<b>\$ 1,596,563</b>	<b>\$ -</b>	<b>\$ 154,184</b>	<b>\$ 118,519</b>	<b>\$ 64,621</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable	\$ 9,750	\$ -	\$ 164,324	\$ -	\$ 44,302	\$ -	\$ -
Contracts payable	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	40,848	1,202,100	2,259	-	-	111,292	64,621
Other liabilities and escrow deposits	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>50,598</b>	<b>1,202,100</b>	<b>166,583</b>	<b>-</b>	<b>44,302</b>	<b>111,292</b>	<b>64,621</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	-	-	-	-	-	-	-
Unavailable revenue - other taxes	-	-	-	-	-	-	-
Unavailable revenue - grants	-	-	11,622	-	-	85,867	36,255
Unavailable revenue - interest	-	-	-	-	-	-	-
Unavailable revenue - intergovernmental	-	23,779	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<b>-</b>	<b>23,779</b>	<b>11,622</b>	<b>-</b>	<b>-</b>	<b>85,867</b>	<b>36,255</b>
<b>FUND BALANCES</b>							
Nonspendable	-	1,357,550	1,418,553	-	-	-	-
Restricted	1,593	-	-	-	109,882	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	(1,111,180)	(195)	-	-	(78,640)	(36,255)
<b>TOTAL FUND BALANCE</b>	<b>1,593</b>	<b>246,370</b>	<b>1,418,358</b>	<b>-</b>	<b>109,882</b>	<b>(78,640)</b>	<b>(36,255)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 52,191</b>	<b>\$ 1,472,249</b>	<b>\$ 1,596,563</b>	<b>\$ -</b>	<b>\$ 154,184</b>	<b>\$ 118,519</b>	<b>\$ 64,621</b>

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**City of Texarkana, Texas**  
**Combining Balance Sheet – Nonmajor Governmental Funds (Continued)**  
**September 30, 2021**

	Special Revenue Funds							TCA Grant
	Department of Justice COVID-19	Defense Economic Adjustment Assistance (DEAAG)	Narcotics Division Operations	Court Security	Conservation Revolving Loan	Court Technology	Federal Asset Forfeiture	
<b>ASSETS</b>								
Cash	\$ 4,535	\$ -	\$ 159,345	\$ 434,046	\$ 35,851	\$ -	\$ 127,156	2,876
Investments - certificates of deposit	-	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectible):								
Property taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Other government agencies	8,516	14,242	2,697	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 13,051</u>	<u>\$ 14,242</u>	<u>\$ 162,042</u>	<u>\$ 434,046</u>	<u>\$ 35,851</u>	<u>\$ -</u>	<u>\$ 127,156</u>	<u>\$ 2,876</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,688	\$ -	\$ -
Contracts payable	-	-	-	-	-	-	-	-
Accrued payroll	-	-	-	279	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	14,242	-	-	-	-	-	-
Other liabilities and escrow deposits	2,248	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>2,248</u>	<u>14,242</u>	<u>-</u>	<u>279</u>	<u>-</u>	<u>24,688</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-
Unavailable revenue - other taxes	-	-	-	-	-	-	-	-
Unavailable revenue - grants	-	14,242	-	-	-	-	-	-
Unavailable revenue - interest	-	-	-	-	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<u>-</u>	<u>14,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	10,803	-	162,042	433,767	35,851	-	127,156	2,876
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	(14,242)	-	-	-	(24,688)	-	-
<b>TOTAL FUND BALANCE</b>	<u>10,803</u>	<u>(14,242)</u>	<u>162,042</u>	<u>433,767</u>	<u>35,851</u>	<u>(24,688)</u>	<u>127,156</u>	<u>2,876</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 13,051</u>	<u>\$ 14,242</u>	<u>\$ 162,042</u>	<u>\$ 434,046</u>	<u>\$ 35,851</u>	<u>\$ -</u>	<u>\$ 127,156</u>	<u>\$ 2,876</u>

**City of Texarkana, Texas**  
**Combining Balance Sheet – Nonmajor Governmental Funds (Continued)**  
**September 30, 2021**

Special Revenue Funds			Capital Project Funds				Total Nonmajor Governmental Fund
Small Business Administration Grant	Inclusive Playground at Spring Lake	Total Special Revenue	2005 Bond	2017 Bond	2019 TIRZ Bond	Total Capital Projects	
\$ -	64,850	\$ 5,377,269	\$ 6,667	\$ 3,207,820	2,159,596	\$ 5,374,083	\$ 10,751,352
-	-	-	-	-	-	-	-
-	-	188,843	-	-	-	-	188,843
-	-	54,051	-	-	-	-	54,051
-	-	511,322	-	-	-	-	511,322
-	-	128,221	-	412	-	412	128,633
-	-	3,412,246	-	-	-	-	3,412,246
-	-	1,227,409	-	-	-	-	1,227,409
<u>\$ -</u>	<u>\$ 64,850</u>	<u>\$ 10,899,361</u>	<u>\$ 6,667</u>	<u>\$ 3,208,232</u>	<u>\$ 2,159,596</u>	<u>\$ 5,374,495</u>	<u>\$ 16,273,856</u>
\$ -	\$ -	\$ 545,570	\$ -	\$ 89,559	\$ -	\$ 89,559	\$ 635,129
-	-	-	-	-	209,830	209,830	209,830
-	-	279	-	-	-	-	279
-	-	10,000	-	-	-	-	10,000
-	-	1,700,541	-	-	-	-	1,700,541
-	-	2,248	-	-	206,670	206,670	208,918
<u>-</u>	<u>-</u>	<u>2,258,638</u>	<u>-</u>	<u>89,559</u>	<u>416,500</u>	<u>506,059</u>	<u>2,764,697</u>
-	-	-	-	-	-	-	-
-	-	17,201	-	-	-	-	17,201
-	-	266,347	-	-	-	-	266,347
-	-	89,200	-	-	-	-	89,200
-	-	38,619	-	-	-	-	38,619
<u>-</u>	<u>-</u>	<u>411,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>411,367</u>
-	-	3,412,246	-	-	-	-	3,412,246
-	64,850	3,393,739	6,667	3,118,673	1,743,096	4,868,436	8,262,175
-	-	1,931,875	-	-	-	-	1,931,875
-	-	756,696	-	-	-	-	756,696
-	-	(1,265,200)	-	-	-	-	(1,265,200)
<u>-</u>	<u>64,850</u>	<u>8,229,356</u>	<u>6,667</u>	<u>3,118,673</u>	<u>1,743,096</u>	<u>4,868,436</u>	<u>13,097,792</u>
<u>\$ -</u>	<u>\$ 64,850</u>	<u>\$ 10,899,361</u>	<u>\$ 6,667</u>	<u>\$ 3,208,232</u>	<u>\$ 2,159,596</u>	<u>\$ 5,374,495</u>	<u>\$ 16,273,856</u>

(concluded)

**City of Texarkana, Texas**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance – Nonmajor Governmental Funds**  
**Year Ended September 30, 2021**

	<b>Special Revenue Funds</b>					
	<b>Housing and Community Development</b>	<b>HOME</b>	<b>Theatre</b>	<b>Hotel/ Motel Tax</b>	<b>Housing</b>	<b>Economic Development</b>
<b>REVENUES:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes-other	-	-	-	1,671,030	-	-
Franchise receipts	-	-	-	-	-	341,015
Charges for services	-	-	35,362	-	-	-
Grants and entitlements	410,401	-	-	-	-	-
Interest and dividends	-	1,731	6,802	11,016	900	19,479
Intergovernmental	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>410,401</u>	<u>1,731</u>	<u>42,164</u>	<u>1,682,046</u>	<u>900</u>	<u>360,494</u>
<b>EXPENDITURES:</b>						
Current:						
General government	-	-	-	-	-	90,363
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	417,716	520,443	-	-
Health and welfare	120,340	-	-	-	-	-
Capital outlay	-	-	20,462	-	-	-
Debt service	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total expenditures	<u>120,340</u>	<u>-</u>	<u>438,178</u>	<u>520,443</u>	<u>-</u>	<u>90,363</u>
Excess (deficiency) of revenues over expenditures	<u>290,061</u>	<u>1,731</u>	<u>(396,014)</u>	<u>1,161,603</u>	<u>900</u>	<u>270,131</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	2,292	-	275,000	15,731	-	-
Transfers out	-	-	(336)	(747,278)	-	-
Proceeds from issuance of debt	-	-	-	-	-	-
Certificates of obligation bonds issued	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,292</u>	<u>-</u>	<u>274,664</u>	<u>(731,547)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	292,353	1,731	(121,350)	430,056	900	270,131
Fund balance at beginning of year	<u>648,681</u>	<u>68,687</u>	<u>878,046</u>	<u>500,841</u>	<u>464,724</u>	<u>1,846,326</u>
Fund balance at end of year	<u>\$ 941,034</u>	<u>\$ 70,418</u>	<u>\$ 756,696</u>	<u>\$ 930,897</u>	<u>\$ 465,624</u>	<u>\$ 2,116,457</u>

**City of Texarkana, Texas**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance – Nonmajor Governmental Funds (Continued)**  
**Year Ended September 30, 2021**

Special Revenue Funds							
Law Enforcement Block Grant	Law Enforcement Programs	Donations	Emergency Management	Public Safety Radio	Rotary Splash Park	CDBG Revolving Loans	NEA Grant
\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	20,791	-	-	-	-	-	-
27	666	662	18,920	1,402	5	1,914	-
21,289	-	-	1,707,904	48,330	-	-	12,406
-	-	20,925	-	-	-	-	-
<u>21,316</u>	<u>21,457</u>	<u>21,587</u>	<u>1,726,824</u>	<u>49,732</u>	<u>5</u>	<u>1,914</u>	<u>12,406</u>
-	-	-	61,732	-	-	-	-
20,905	17,613	-	-	72,238	-	-	-
-	-	-	-	-	-	-	-
-	-	19,274	-	-	-	-	10,966
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>20,905</u>	<u>17,613</u>	<u>19,274</u>	<u>61,732</u>	<u>72,238</u>	<u>-</u>	<u>-</u>	<u>10,966</u>
<u>411</u>	<u>3,844</u>	<u>2,313</u>	<u>1,665,092</u>	<u>(22,506)</u>	<u>5</u>	<u>1,914</u>	<u>1,440</u>
-	-	-	41,134	47,880	-	-	8,060
-	-	-	-	-	(497)	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>41,134</u>	<u>47,880</u>	<u>(497)</u>	<u>-</u>	<u>8,060</u>
411	3,844	2,313	1,706,226	25,374	(492)	1,914	9,500
1,087	59,006	55,793	(1,706,226)	119,984	497	218,776	(9,500)
<u>\$ 1,498</u>	<u>\$ 62,850</u>	<u>\$ 58,106</u>	<u>\$ -</u>	<u>\$ 145,358</u>	<u>\$ 5</u>	<u>\$ 220,690</u>	<u>\$ -</u>

(continued)

**City of Texarkana, Texas**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance – Nonmajor Governmental Funds (Continued)**  
**Year Ended September 30, 2021**

	Special Revenue Funds						
	COC Homeless Assistance Grant	CDBG 108 Loan	EPA Revolving Loan Grant	Emergency Solutions Grant	NRDA Grant	Farmers Market	Trail Grant
<b>REVENUES:</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes-other	-	-	-	-	-	-	-
Franchise receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Grants and entitlements	199,389	-	944,211	-	-	-	-
Interest and dividends	-	839	-	-	-	517	-
Intergovernmental	-	-	-	-	360,000	25,729	-
Other	-	-	-	-	-	282	-
Total revenues	<u>199,389</u>	<u>839</u>	<u>944,211</u>	<u>-</u>	<u>360,000</u>	<u>26,528</u>	<u>-</u>
<b>EXPENDITURES:</b>							
Current:							
General government	-	-	-	-	-	88,832	-
Public safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	265,808	-	-
Parks and recreation	-	-	-	-	-	-	42,664
Health and welfare	264,466	-	160,627	-	-	-	3,633
Capital outlay	-	-	-	-	-	-	-
Debt service	-	435,492	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total expenditures	<u>264,466</u>	<u>435,492</u>	<u>160,627</u>	<u>-</u>	<u>265,808</u>	<u>88,832</u>	<u>46,297</u>
Excess (deficiency) of revenues over expenditures	<u>(65,077)</u>	<u>(434,653)</u>	<u>783,584</u>	<u>-</u>	<u>94,192</u>	<u>(62,304)</u>	<u>(46,297)</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	64,406	-	46,236	1,781	-	-	-
Transfers out	-	-	-	-	-	-	(6,304)
Proceeds from issuance of debt	-	-	-	-	-	-	-
Certificates of obligation bonds issued	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>64,406</u>	<u>-</u>	<u>46,236</u>	<u>1,781</u>	<u>-</u>	<u>-</u>	<u>(6,304)</u>
Net change in fund balances	(671)	(434,653)	829,820	1,781	94,192	(62,304)	(52,601)
Fund balances at beginning of year	<u>2,264</u>	<u>681,023</u>	<u>588,538</u>	<u>(1,781)</u>	<u>15,690</u>	<u>(16,336)</u>	<u>16,346</u>
Fund balances at end of year	<u>\$ 1,593</u>	<u>\$ 246,370</u>	<u>\$ 1,418,358</u>	<u>\$ -</u>	<u>\$ 109,882</u>	<u>\$ (78,640)</u>	<u>\$ (36,255)</u>

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**City of Texarkana, Texas**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance – Nonmajor Governmental Funds (Continued)**  
**Year Ended September 30, 2021**

	Special Revenue Funds							TCA Grant
	Department of Justice COVID-19	Defense Economic Adjustment Assistance (DEAAG)	Narcotics Division Operations	Court Security	Conservation Revolving Loan	Court Technology	Federal Asset Forfeiture	
<b>REVENUES:</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes-other	-	-	-	-	-	-	-	-
Franchise receipts	-	-	-	-	-	-	-	-
Charges for services	-	-	-	11,051	-	9,881	-	-
Grants and entitlements	-	-	-	-	-	-	-	-
Interest and dividends	176	-	2,652	5,205	380	-	1,349	-
Intergovernmental	-	-	-	-	-	-	-	56,000
Other	-	-	-	-	-	-	-	-
Total revenues	<u>176</u>	<u>-</u>	<u>2,652</u>	<u>16,256</u>	<u>380</u>	<u>9,881</u>	<u>1,349</u>	<u>56,000</u>
<b>EXPENDITURES:</b>								
Current:								
General government	2,872	42,273	-	6,519	-	246	-	-
Public safety	1,310	-	-	285	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	53,124
Health and welfare	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	43,496	-	-
Debt service	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total expenditures	<u>4,182</u>	<u>42,273</u>	<u>-</u>	<u>6,804</u>	<u>-</u>	<u>43,742</u>	<u>-</u>	<u>53,124</u>
Excess (deficiency) of revenues over expenditures	<u>(4,006)</u>	<u>(42,273)</u>	<u>2,652</u>	<u>9,452</u>	<u>380</u>	<u>(33,861)</u>	<u>1,349</u>	<u>2,876</u>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	-	41,154	-	-	-	11,000	-	-
Transfers out	-	-	-	-	-	(3,116)	-	-
Proceeds from issuance of debt	-	-	-	-	-	-	-	-
Certificates of obligation bonds issued	-	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>41,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,884</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,006)	(1,119)	2,652	9,452	380	(25,977)	1,349	2,876
Fund balances at beginning of year	<u>14,809</u>	<u>(13,123)</u>	<u>159,390</u>	<u>424,315</u>	<u>35,471</u>	<u>1,289</u>	<u>125,807</u>	<u>-</u>
Fund balances at end of year	<u>\$ 10,803</u>	<u>\$ (14,242)</u>	<u>\$ 162,042</u>	<u>\$ 433,767</u>	<u>\$ 35,851</u>	<u>\$ (24,688)</u>	<u>\$ 127,156</u>	<u>\$ 2,876</u>

**City of Texarkana, Texas**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance – Nonmajor Governmental Funds (Continued)**  
**Year Ended September 30, 2021**

Special Revenue Funds			Capital Projects Funds				Total Nonmajor Governmental Fund
Small Business Administration Grant	Inclusive Playground at Spring Lake	Total Special Revenue	2005 Bond	2017 Bond	2019 TIRZ Bond	Total Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,671,030	-	-	-	-	1,671,030
-	-	341,015	-	-	-	-	341,015
-	-	56,294	-	-	-	-	56,294
-	-	1,574,792	-	-	-	-	1,574,792
-	-	74,642	299	46,144	36,927	83,370	158,012
15,731	-	2,247,389	-	-	-	-	2,247,389
-	64,850	86,057	-	1,500	-	1,500	87,557
<u>15,731</u>	<u>64,850</u>	<u>6,051,219</u>	<u>299</u>	<u>47,644</u>	<u>36,927</u>	<u>84,870</u>	<u>6,136,089</u>
-	-	292,837	-	-	-	-	292,837
-	-	112,351	-	-	-	-	112,351
-	-	265,808	-	-	-	-	265,808
-	-	1,033,947	-	-	-	-	1,033,947
-	-	579,306	-	-	-	-	579,306
-	-	63,958	270,072	916,727	2,694,197	3,880,996	3,944,954
-	-	435,492	-	-	-	-	435,492
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>2,783,699</u>	<u>270,072</u>	<u>916,727</u>	<u>2,694,197</u>	<u>3,880,996</u>	<u>6,664,695</u>
<u>15,731</u>	<u>64,850</u>	<u>3,267,520</u>	<u>(269,773)</u>	<u>(869,083)</u>	<u>(2,657,270)</u>	<u>(3,796,126)</u>	<u>(528,606)</u>
-	-	554,674	-	-	-	-	554,674
(15,731)	-	(773,262)	-	-	-	-	(773,262)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(15,731)</u>	<u>-</u>	<u>(218,588)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(218,588)</u>
-	64,850	3,048,932	(269,773)	(869,083)	(2,657,270)	(3,796,126)	(747,194)
-	-	5,180,424	276,440	3,987,756	4,400,366	8,664,562	13,844,986
<u>\$ -</u>	<u>\$ 64,850</u>	<u>\$ 8,229,356</u>	<u>\$ 6,667</u>	<u>\$ 3,118,673</u>	<u>\$ 1,743,096</u>	<u>\$ 4,868,436</u>	<u>\$ 13,097,792</u>

(concluded)

**City of Texarkana, Texas**  
**Housing and Community Development Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Grants and entitlements	\$ 450,000	\$ 659,559	\$ 410,401	\$ (249,158)
Total revenues	<u>450,000</u>	<u>659,559</u>	<u>410,401</u>	<u>(249,158)</u>
<b>EXPENDITURES:</b>				
Current:				
Health and welfare	485,137	659,559	120,340	539,219
Total expenditures	<u>485,137</u>	<u>659,559</u>	<u>120,340</u>	<u>539,219</u>
Excess (deficiency) of revenues over expenditures	<u>(35,137)</u>	<u>-</u>	<u>290,061</u>	<u>290,061</u>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers in	35,137	216,909	2,292	(214,617)
Total other financing sources/uses	<u>35,137</u>	<u>216,909</u>	<u>2,292</u>	<u>(214,617)</u>
Net change in fund balance	-	216,909	292,353	75,444
Fund balance at beginning of year	<u>648,681</u>	<u>648,681</u>	<u>648,681</u>	<u>-</u>
Fund balance at end of year	<u>\$ 648,681</u>	<u>\$ 865,590</u>	<u>\$ 941,034</u>	<u>\$ 75,444</u>

**City of Texarkana, Texas**  
**Home Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest and dividends	\$ 700	\$ 700	\$ 1,731	\$ 1,031
Total revenues	<u>700</u>	<u>700</u>	<u>1,731</u>	<u>1,031</u>
<b>EXPENDITURES:</b>				
Current:				
Miscellaneous	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>700</u>	<u>700</u>	<u>1,731</u>	<u>1,031</u>
Net change in fund balance	700	700	1,731	1,031
Fund balance at beginning of year	<u>68,687</u>	<u>68,687</u>	<u>68,687</u>	<u>-</u>
Fund balance at end of year	<u>\$ 69,387</u>	<u>\$ 69,387</u>	<u>\$ 70,418</u>	<u>\$ 1,031</u>

**City of Texarkana, Texas**  
**Theatre Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	Original	Final	Actual	Variance with Final Budget
<b>REVENUES</b>				
Charges for services	\$ 75,000	\$ 29,345	\$ 35,362	\$ 6,017
Interest and dividends	11,550	11,550	6,802	(4,748)
Total revenues	<u>86,550</u>	<u>40,895</u>	<u>42,164</u>	<u>1,269</u>
<b>EXPENDITURES</b>				
Current:				
Parks and recreation	499,657	499,207	417,716	81,491
Capital outlay	-	-	20,462	(20,462)
Total expenditures	<u>499,657</u>	<u>499,207</u>	<u>438,178</u>	<u>61,029</u>
Excess (deficiency) of revenues over expenditures	<u>(413,107)</u>	<u>(458,312)</u>	<u>(396,014)</u>	<u>62,298</u>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers in	315,000	315,000	275,000	(40,000)
Transfers out	(40,336)	(40,336)	(336)	40,000
Total other financing sources/uses	<u>274,664</u>	<u>274,664</u>	<u>274,664</u>	<u>-</u>
Net change in fund balance	(138,443)	(183,648)	(121,350)	62,298
Fund balance at beginning of year	<u>878,046</u>	<u>878,046</u>	<u>878,046</u>	<u>-</u>
Fund balance at end of year	<u>\$ 739,603</u>	<u>\$ 694,398</u>	<u>\$ 756,696</u>	<u>\$ 62,298</u>

**City of Texarkana, Texas**  
**Hotel/Motel Tax Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes-other	\$ 1,010,000	\$ 969,000	\$ 1,671,030	\$ 702,030
Interest and dividends	3,200	3,200	11,016	7,816
Other	404,000	388,000	-	(388,000)
Total revenues	<u>1,417,200</u>	<u>1,360,200</u>	<u>1,682,046</u>	<u>321,846</u>
<b>EXPENDITURES</b>				
Current:				
Parks and recreation	<u>852,022</u>	<u>589,098</u>	<u>520,443</u>	<u>68,655</u>
Total expenditures	<u>852,022</u>	<u>589,098</u>	<u>520,443</u>	<u>68,655</u>
Excess of revenues over expenditures	<u>565,178</u>	<u>771,102</u>	<u>1,161,603</u>	<u>390,501</u>
<b>OTHER FINANCING USES</b>				
Transfers in	-	-	15,731	15,731
Transfers out	<u>(747,278)</u>	<u>(747,278)</u>	<u>(747,278)</u>	<u>-</u>
Total other financing uses	<u>(747,278)</u>	<u>(747,278)</u>	<u>(731,547)</u>	<u>15,731</u>
Net change in fund balance	(182,100)	23,824	430,056	406,232
Fund balance at beginning of year	<u>500,841</u>	<u>500,841</u>	<u>500,841</u>	<u>-</u>
Fund balance at end of year	<u>\$ 318,741</u>	<u>\$ 524,665</u>	<u>\$ 930,897</u>	<u>\$ 406,232</u>

**City of Texarkana, Texas**  
**Housing Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest and dividends	\$ 7,000	\$ 1,000	\$ 900	\$ (100)
Other	-	-	-	-
Total revenues	<u>7,000</u>	<u>1,000</u>	<u>900</u>	<u>(100)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	7,000	1,000	900	(100)
Fund balance at beginning of year	<u>464,724</u>	<u>464,724</u>	<u>464,724</u>	<u>-</u>
Fund balance at end of year	<u>\$ 471,724</u>	<u>\$ 465,724</u>	<u>\$ 465,624</u>	<u>\$ (100)</u>

**City of Texarkana, Texas**  
**Economic Development Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Franchise receipts	\$ 348,000	\$ 340,000	\$ 341,015	\$ 1,015
Interest and dividends	19,500	17,600	19,479	1,879
Total revenues	<u>367,500</u>	<u>357,600</u>	<u>360,494</u>	<u>2,894</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>466,450</u>	<u>380,500</u>	<u>90,363</u>	<u>290,137</u>
Total expenditures	<u>466,450</u>	<u>380,500</u>	<u>90,363</u>	<u>290,137</u>
Excess (deficiency) of revenues over expenditures	<u>(98,950)</u>	<u>(22,900)</u>	<u>270,131</u>	<u>293,031</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(98,950)	(22,900)	270,131	293,031
Fund balance at beginning of year	<u>1,846,326</u>	<u>1,846,326</u>	<u>1,846,326</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,747,376</u>	<u>\$ 1,823,426</u>	<u>\$ 2,116,457</u>	<u>\$ 293,031</u>

**City of Texarkana, Texas**  
**Law Enforcement Block Grant Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Grants and Entitlements	\$ 25,000	\$ 25,000	\$ 21,289	\$ (3,711)
Interest and dividends	-	-	27	27
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>21,316</u>	<u>(3,684)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	25,000	25,000	20,905	4,095
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>20,905</u>	<u>4,095</u>
Net change in fund balance	-	-	411	411
Fund balance at beginning of year	<u>1,087</u>	<u>1,087</u>	<u>1,087</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,087</u>	<u>\$ 1,087</u>	<u>\$ 1,498</u>	<u>\$ 411</u>

**City of Texarkana, Texas**  
**Law Enforcement Programs Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest and dividends	\$ 500	\$ 500	\$ 666	\$ 166
Grants and entitlements	6,600	10,916	20,791	9,875
Total revenues	<u>7,100</u>	<u>11,416</u>	<u>21,457</u>	<u>10,041</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	11,500	21,500	17,613	3,887
Total expenditures	<u>11,500</u>	<u>21,500</u>	<u>17,613</u>	<u>3,887</u>
Net change in fund balance	(4,400)	(10,084)	3,844	13,928
Fund balance at beginning of year	<u>59,006</u>	<u>59,006</u>	<u>59,006</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 54,606</u></u>	<u><u>\$ 48,922</u></u>	<u><u>\$ 62,850</u></u>	<u><u>\$ 13,928</u></u>

**City of Texarkana, Texas**  
**Donations Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest and dividends	\$ 250	\$ 250	\$ 662	\$ 412
Other	30,000	30,000	20,925	(9,075)
Total revenues	<u>30,250</u>	<u>30,250</u>	<u>21,587</u>	<u>(8,663)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	49,716	49,716	19,274	30,442
Capital outlay	-	-	-	-
Total expenditures	<u>49,716</u>	<u>49,716</u>	<u>19,274</u>	<u>30,442</u>
<b>OTHER FINANCING USES</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(19,466)	(19,466)	2,313	21,779
Fund balance at beginning of year	<u>55,793</u>	<u>55,793</u>	<u>55,793</u>	<u>-</u>
Fund balance at end of year	<u>\$ 36,327</u>	<u>\$ 36,327</u>	<u>\$ 58,106</u>	<u>\$ 21,779</u>

**City of Texarkana, Texas**  
**TIRZ #1 Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Grants and entitlements	\$ 1,707,904	\$ 1,707,904	\$ 1,707,904	\$ -
Investment earnings	-	-	18,920	18,920
Total revenues	<u>1,707,904</u>	<u>1,707,904</u>	<u>1,726,824</u>	<u>18,920</u>
<b>EXPENDITURES</b>				
Current				
Public Safety	<u>1,707,904</u>	<u>52,728</u>	<u>61,732</u>	<u>(9,004)</u>
Total expenditures	<u>1,707,904</u>	<u>52,728</u>	<u>61,732</u>	<u>(9,004)</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>1,655,176</u>	<u>1,665,092</u>	<u>9,916</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>-</u>	<u>52,728</u>	<u>41,134</u>	<u>(11,594)</u>
Total other financing sources (uses)	<u>-</u>	<u>52,728</u>	<u>41,134</u>	<u>(11,594)</u>
Net change in fund balance	-	1,707,904	1,706,226	(1,678)
Fund balances at beginning of year	<u>(1,706,226)</u>	<u>(1,706,226)</u>	<u>(1,706,226)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (1,706,226)</u>	<u>\$ 1,678</u>	<u>\$ -</u>	<u>\$ (1,678)</u>

**City of Texarkana, Texas**  
**Public Safety Radio Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest and dividends	\$ 1,100	\$ 1,100	\$ 1,402	\$ 302
Intergovernmental	58,995	58,995	48,330	(10,665)
Total revenues	<u>60,095</u>	<u>60,095</u>	<u>49,732</u>	<u>(10,363)</u>
<b>EXPENDITURES</b>				
Public safety	72,437	72,437	72,238	199
Total expenditures	<u>72,437</u>	<u>72,437</u>	<u>72,238</u>	<u>199</u>
Excess (deficiency) of revenues over expenditures	<u>(12,342)</u>	<u>(12,342)</u>	<u>(22,506)</u>	<u>(10,164)</u>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers in	47,880	47,880	47,880	-
Total other financing sources/uses	<u>47,880</u>	<u>47,880</u>	<u>47,880</u>	<u>-</u>
Net change in fund balance	35,538	35,538	25,374	(10,164)
Fund balance at beginning of year	<u>119,984</u>	<u>119,984</u>	<u>119,984</u>	<u>-</u>
Fund balance at end of year	<u>\$ 155,522</u>	<u>\$ 155,522</u>	<u>\$ 145,358</u>	<u>\$ (10,164)</u>

**City of Texarkana, Texas**  
**Rotary Splash Park Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest and dividends	\$ -	\$ -	\$ 5	\$ 5
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
<b>EXPENDITURES</b>				
Capital outlay	497	-	-	-
Total expenditures	<u>497</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers out	-	(497)	(497)	-
Total other financing sources/uses	<u>-</u>	<u>(497)</u>	<u>(497)</u>	<u>-</u>
Net change in fund balance	(497)	-	(492)	5
Fund balance at beginning of year	<u>497</u>	<u>497</u>	<u>497</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 497</u>	<u>\$ 5</u>	<u>\$ 5</u>

**City of Texarkana, Texas**  
**CDBG Revolving Loans Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest and dividends	\$ -	\$ -	\$ 1,914	\$ 1,914
Total revenues	<u>-</u>	<u>-</u>	<u>1,914</u>	<u>1,914</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	500	-	-	-
Total expenditures	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers out	-	(216,909)	-	216,909
Total other financing sources/uses	<u>-</u>	<u>(216,909)</u>	<u>-</u>	<u>216,909</u>
Net change in fund balance	(500)	-	1,914	1,914
Fund balance at beginning of year	<u>218,776</u>	<u>218,776</u>	<u>218,776</u>	<u>-</u>
Fund balance at end of year	<u>\$ 218,276</u>	<u>\$ 218,776</u>	<u>\$ 220,690</u>	<u>\$ 1,914</u>

**City of Texarkana, Texas**  
**NEA Grant Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Grants and entitlements	\$ -	\$ -	\$ 12,406	\$ 12,406
Interest and dividends	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>12,406</u>	<u>12,406</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	7,000	7,000	10,966	(3,966)
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>10,966</u>	<u>(3,966)</u>
Excess (deficiency) of revenues over expenditures	<u>(7,000)</u>	<u>(7,000)</u>	<u>1,440</u>	<u>8,440</u>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers in	-	-	8,060	8,060
Total other financing sources/uses	<u>-</u>	<u>-</u>	<u>8,060</u>	<u>8,060</u>
Net change in fund balance	(7,000)	(7,000)	9,500	16,500
Fund balance at beginning of year	<u>(9,500)</u>	<u>(9,500)</u>	<u>(9,500)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (16,500)</u>	<u>\$ (16,500)</u>	<u>\$ -</u>	<u>\$ 16,500</u>

**City of Texarkana, Texas**  
**COC Homeless Assistance Grant Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Grants and entitlements	\$ 5,063	\$ 80,000	\$ 199,389	\$ 119,389
Total revenues	<u>5,063</u>	<u>80,000</u>	<u>199,389</u>	<u>119,389</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	25,968	80,000	264,466	(184,466)
Total expenditures	<u>25,968</u>	<u>80,000</u>	<u>264,466</u>	<u>(184,466)</u>
Excess (deficiency) of revenues over expenditures	<u>(20,905)</u>	<u>-</u>	<u>(65,077)</u>	<u>(65,077)</u>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers in	20,905	-	64,406	64,406
Total other financing sources/uses	<u>20,905</u>	<u>-</u>	<u>64,406</u>	<u>64,406</u>
Net change in fund balance	-	-	(671)	(671)
Fund balance at beginning of year	<u>2,264</u>	<u>2,264</u>	<u>2,264</u>	<u>-</u>
	<u>\$ 2,264</u>	<u>\$ 2,264</u>	<u>\$ 1,593</u>	<u>\$ (671)</u>

**City of Texarkana, Texas**  
**CDBG 108 Loan Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest and dividends	\$ 7,100	\$ 7,100	\$ 839	\$ (6,261)
Total revenues	<u>7,100</u>	<u>7,100</u>	<u>839</u>	<u>(6,261)</u>
<b>EXPENDITURES</b>				
Current:				
Debt service	-	-	435,492	(435,492)
Total expenditures	<u>-</u>	<u>-</u>	<u>435,492</u>	<u>(435,492)</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from issuance of debt	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	7,100	7,100	(434,653)	(441,753)
Fund balance at beginning of year	<u>681,023</u>	<u>681,023</u>	<u>681,023</u>	<u>-</u>
Fund balance at end of year	<u>\$ 688,123</u>	<u>\$ 688,123</u>	<u>\$ 246,370</u>	<u>\$ (441,753)</u>

**City of Texarkana, Texas**  
**EPA Revolving Loan Grant Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Grants and entitlements	\$ 743,662	\$ 172,000	\$ 944,211	\$ 772,211
Total revenues	<u>743,662</u>	<u>172,000</u>	<u>944,211</u>	<u>772,211</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	795,617	172,000	160,627	11,373
Total expenditures	<u>795,617</u>	<u>172,000</u>	<u>160,627</u>	<u>11,373</u>
Excess (deficiency) of revenues over expenditures	<u>(51,955)</u>	<u>-</u>	<u>783,584</u>	<u>783,584</u>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers in	51,955	-	46,236	46,236
Total other financing sources/uses	<u>51,955</u>	<u>-</u>	<u>46,236</u>	<u>46,236</u>
Net change in fund balance	-	-	829,820	829,820
Fund balance at beginning of year	<u>588,538</u>	<u>588,538</u>	<u>588,538</u>	<u>-</u>
Fund balance at end of year	<u>\$ 588,538</u>	<u>\$ 588,538</u>	<u>\$ 1,418,358</u>	<u>\$ 829,820</u>

**City of Texarkana, Texas**  
**Emergency Solutions Grant Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Grants and entitlements	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	365	-	-	-
Total expenditures	<u>365</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(365)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers in	365	-	1,781	1,781
Total other financing sources/uses	<u>365</u>	<u>-</u>	<u>1,781</u>	<u>1,781</u>
Net change in fund balance	-	-	1,781	1,781
Fund balance at beginning of year	<u>(1,781)</u>	<u>(1,781)</u>	<u>(1,781)</u>	<u>-</u>
	<u>\$ (1,781)</u>	<u>\$ (1,781)</u>	<u>\$ -</u>	<u>\$ 1,781</u>

**City of Texarkana, Texas**  
**NRDA Grant Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Grants and entitlements	\$ 9,570,000	\$ 321,500	\$ 360,000	\$ 38,500
Total revenues	<u>9,570,000</u>	<u>321,500</u>	<u>360,000</u>	<u>38,500</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	9,570,000	321,500	265,808	55,692
Total expenditures	<u>9,570,000</u>	<u>321,500</u>	<u>265,808</u>	<u>55,692</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>94,192</u>	<u>94,192</u>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers in	-	-	-	-
Total other financing sources/uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	94,192	94,192
Fund balance at beginning of year	<u>15,690</u>	<u>15,690</u>	<u>15,690</u>	<u>-</u>
Fund balance at end of year	<u>\$ 15,690</u>	<u>\$ 15,690</u>	<u>\$ 109,882</u>	<u>\$ 94,192</u>

**City of Texarkana, Texas**  
**Farmers Market Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest and dividends	\$ -	\$ -	\$ 517	\$ 517
Intergovernmental	67,313	75,000	25,729	(49,271)
Other	-	-	282	282
Total revenues	<u>67,313</u>	<u>75,000</u>	<u>26,528</u>	<u>(48,472)</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>67,313</u>	<u>75,000</u>	<u>88,832</u>	<u>(13,832)</u>
Total expenditures	<u>67,313</u>	<u>75,000</u>	<u>88,832</u>	<u>(13,832)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(62,304)</u>	<u>(62,304)</u>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources/uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	(62,304)	(62,304)
Fund balance at beginning of year	<u>(16,336)</u>	<u>(16,336)</u>	<u>(16,336)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (16,336)</u>	<u>\$ (16,336)</u>	<u>\$ (78,640)</u>	<u>\$ (62,304)</u>

**City of Texarkana, Texas**  
**Trail Grant Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 27,983	\$ 42,664	\$ -	\$ (42,664)
Total revenues	<u>27,983</u>	<u>42,664</u>	<u>-</u>	<u>(42,664)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	-	-	-	-
Parks and recreation	27,983	42,664	42,664	-
Health and welfare	-	-	3,633	(3,633)
Total expenditures	<u>27,983</u>	<u>42,664</u>	<u>46,297</u>	<u>(3,633)</u>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers out	-	-	(6,304)	(6,304)
Total other financing sources/uses	<u>-</u>	<u>-</u>	<u>(6,304)</u>	<u>(6,304)</u>
Net change in fund balance	-	-	(52,601)	(46,297)
Fund balance at beginning of year	<u>16,346</u>	<u>16,346</u>	<u>16,346</u>	<u>-</u>
Fund balance at end of year	<u>\$ 16,346</u>	<u>\$ 16,346</u>	<u>\$ (36,255)</u>	<u>\$ (46,297)</u>

**City of Texarkana, Texas**  
**Narcotics Division Operations Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fees and permits	\$ 20,000	\$ -	\$ -	\$ -
Investment earnings	2,075	2,075	2,652	577
Total revenues	<u>22,075</u>	<u>2,075</u>	<u>2,652</u>	<u>577</u>
<b>EXPENDITURES</b>				
Current				
Public safety	35,000	30,000	-	30,000
Total expenditures	<u>35,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Excess (deficiency) of revenue over expenditures	<u>(12,925)</u>	<u>(27,925)</u>	<u>2,652</u>	<u>(34,086)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	10,000	10,000	-	(10,000)
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balance	(2,925)	(17,925)	2,652	(44,086)
Fund balances at beginning of year	<u>159,390</u>	<u>159,390</u>	<u>159,390</u>	<u>-</u>
Fund balance at end of year	<u>\$ 156,465</u>	<u>\$ 141,465</u>	<u>\$ 162,042</u>	<u>\$ (44,086)</u>

**City of Texarkana, Texas**  
**Court Security Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 18,300	\$ 9,150	\$ 11,051	\$ 1,901
Investment earnings	5,500	5,500	5,205	(295)
Total revenues	<u>23,800</u>	<u>14,650</u>	<u>16,256</u>	<u>1,606</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	6,519	(6,519)
Public safety	35,037	36,464	285	36,179
Capital outlay	25,000	-	-	-
Total expenditures	<u>60,037</u>	<u>36,464</u>	<u>6,804</u>	<u>29,660</u>
Excess (deficiency) of revenue over expenditures	<u>(36,237)</u>	<u>(21,814)</u>	<u>9,452</u>	<u>31,266</u>
Net change in fund balance	(36,237)	(21,814)	9,452	31,266
Fund balances at beginning of year	<u>424,315</u>	<u>424,315</u>	<u>424,315</u>	<u>-</u>
Fund balance at end of year	<u>\$ 388,078</u>	<u>\$ 402,501</u>	<u>\$ 433,767</u>	<u>\$ 31,266</u>

**City of Texarkana, Texas**  
**Conservation Revolving Loan Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 380	\$ 380
Total revenues	<u>-</u>	<u>-</u>	<u>380</u>	<u>380</u>
<b>EXPENDITURES</b>				
Current				
Health and welfare	35,463	-	-	-
Total expenditures	<u>35,463</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>(35,463)</u>	<u>-</u>	<u>380</u>	<u>380</u>
Net change in fund balance	(35,463)	-	380	380
Fund balances at beginning of year	<u>35,471</u>	<u>35,471</u>	<u>35,471</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8</u>	<u>\$ 35,471</u>	<u>\$ 35,851</u>	<u>\$ 380</u>

**City of Texarkana, Texas**  
**Court Technology Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 24,000	\$ 12,200	\$ 9,881	\$ (2,319)
Investment earnings	60	60	-	(60)
Total revenues	<u>24,060</u>	<u>12,260</u>	<u>9,881</u>	<u>(2,379)</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	246	(246)
Capital outlay	21,000	21,466	43,496	(22,030)
Total expenditures	<u>21,000</u>	<u>21,466</u>	<u>43,742</u>	<u>(22,276)</u>
Excess (deficiency) of revenue over expenditures	<u>3,060</u>	<u>(9,206)</u>	<u>(33,861)</u>	<u>(24,655)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	11,000	11,000	-
Transfers out	(3,115)	(3,115)	(3,116)	(1)
Total other financing sources (uses)	<u>(3,115)</u>	<u>7,885</u>	<u>7,884</u>	<u>(1)</u>
Net change in fund balance	(55)	(1,321)	(25,977)	(24,656)
Fund balances at beginning of year	<u>1,289</u>	<u>1,289</u>	<u>1,289</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,234</u>	<u>\$ (32)</u>	<u>\$ (24,688)</u>	<u>\$ (24,656)</u>

**City of Texarkana, Texas**  
**Federal Asset Forfeiture Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 1,200	\$ 1,200	\$ 1,349	\$ 149
Intergovernmental	10,000	-	-	-
Total revenues	<u>11,200</u>	<u>1,200</u>	<u>1,349</u>	<u>149</u>
<b>EXPENDITURES</b>				
Current				
Capital outlay	20,000	30,000	-	30,000
Total expenditures	<u>20,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Excess (deficiency) of revenue over expenditures	<u>(8,800)</u>	<u>(28,800)</u>	<u>1,349</u>	<u>30,149</u>
Net change in fund balance	(8,800)	(28,800)	1,349	30,149
Fund balances at beginning of year	<u>125,807</u>	<u>125,807</u>	<u>125,807</u>	<u>-</u>
Fund balance at end of year	<u>\$ 117,007</u>	<u>\$ 97,007</u>	<u>\$ 127,156</u>	<u>\$ 30,149</u>



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## **Nonmajor Enterprise Funds**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises in that the costs of providing goods and services to the general public on a continuing basis are recovered primarily through user charges. The City's enterprise funds are established to account for the financing of water and sewer services to the public, other municipalities and industrial customers. All activities necessary to provide these services are included in these funds.

**Lake Texarkana Water Supply Corporation** – This fund is used to account for the financing and operation of the water distribution system from Lake Wright Patman of the City of Texarkana and other “Member Cities” and wholesale customers located in Bowie and Red River counties. The operations of this fund are combined with the Texas Water Utilities for reporting purposes and all inter-fund accounts are eliminated in the combination.

**International Paper Company Water System Contract Fund** – This fund is used to account for the financing and operations of the water system which provides treated water from Lake Wright Patman to the International Paper Company paper mill.

**City of Texarkana, Texas**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2021**

	<b>Lake Texarkana Water Supply Corporation</b>	<b>International Paper Company Water System Contract Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets			
Cash	\$ 673,061	\$ 161,218	\$ 834,279
Receivables (net of allowance for uncollectible)			
Accounts	-	40,237	40,237
Due from other funds	25,471	1,000	26,471
Total current assets	<u>698,532</u>	<u>202,455</u>	<u>900,987</u>
Noncurrent assets:			
Restricted assets:			
Accounts receivable	-	291,325	291,325
Capital assets:			
Land	-	800	800
Total noncurrent assets	<u>-</u>	<u>292,125</u>	<u>292,125</u>
<b>TOTAL ASSETS</b>	<u>698,532</u>	<u>494,580</u>	<u>1,193,112</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	-	97,359	97,359
Accrued liabilities	17,367	1,003	18,370
Due to other funds	30,184	144,159	174,343
Total current liabilities	<u>47,551</u>	<u>242,521</u>	<u>290,072</u>
Noncurrent liabilities			
Capital improvement deposits	<u>650,981</u>	<u>246,180</u>	<u>897,161</u>
Total noncurrent liabilities	<u>650,981</u>	<u>246,180</u>	<u>897,161</u>
<b>TOTAL LIABILITIES</b>	<u>698,532</u>	<u>488,701</u>	<u>1,187,233</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	800	800
Unrestricted	-	5,079	5,079
<b>TOTAL NET POSITION</b>	<u>\$ -</u>	<u>\$ 5,879</u>	<u>\$ 5,879</u>

**City of Texarkana, Texas**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2021**

	<b>Lake Texarkana Water Supply Corporation</b>	<b>International Paper Company Water System Contract Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Water sales	\$ -	\$ 1,224,261	\$ 1,224,261
Other Income	-	1,753	1,753
Total operating revenues	<u>-</u>	<u>1,226,014</u>	<u>1,226,014</u>
<b>OPERATING EXPENSES</b>			
Contract water & sewer expense-International Paper	-	1,219,609	1,219,609
Field service	-	176	176
Total operating expense	<u>-</u>	<u>1,219,785</u>	<u>1,219,785</u>
Operating income (loss)	<u>-</u>	<u>6,229</u>	<u>6,229</u>
<b>NONOPERATING REVENUES</b>			
Interest revenue - investments	<u>-</u>	<u>834</u>	<u>834</u>
Total nonoperating revenues	<u>-</u>	<u>834</u>	<u>834</u>
Transfers out	-	(568)	(568)
Change in net position	-	6,495	6,495
Total net position, beginning of year	<u>-</u>	<u>(616)</u>	<u>(616)</u>
Total net position, end of year	<u>\$ -</u>	<u>\$ 5,879</u>	<u>\$ 5,879</u>

**City of Texarkana, Texas**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2021**

	<b>Lake Texarkana Water Supply Corporation</b>	<b>International Paper Company Water System Contract Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 22,080	\$ 1,370,351	\$ 1,392,431
Cash paid to suppliers	-	(1,226,222)	(1,226,222)
Net cash provided from (used by) operating activities	<u>22,080</u>	<u>144,129</u>	<u>166,209</u>
<b>Cash flows from non-capital financing activities:</b>			
Transfers paid to City general fund	<u>-</u>	<u>(568)</u>	<u>(568)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	-	(800)	(800)
Capital improvement deposits received	443,478	-	443,478
Interest received on capital improvement deposits	750	-	750
Net cash used by capital and related financing activities	<u>444,228</u>	<u>(800)</u>	<u>443,428</u>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale and maturities of investments	75,000	-	75,000
Interest received on investments	-	834	834
Net cash provided from investing activities	<u>75,000</u>	<u>834</u>	<u>75,834</u>
Net increase (decrease) in cash	541,308	143,595	684,903
Cash, beginning of year	<u>131,753</u>	<u>17,623</u>	<u>149,376</u>
Cash, end of year	<u>\$ 673,061</u>	<u>\$ 161,218</u>	<u>\$ 834,279</u>
Cash - unrestricted	\$ 673,061	\$ 161,218	\$ 834,279
Cash - restricted	-	-	-
	<u>\$ 673,061</u>	<u>\$ 161,218</u>	<u>\$ 834,279</u>

**City of Texarkana, Texas**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2021**

	Lake Texarkana Water Supply Corporation	International Paper Company Water System Contract Fund	Total
<b><u>Reconciliation of Operating Income (Loss) to</u></b>			
<b><u>Net Cash Provided From (Used By) Operating Activities</u></b>			
<b>Operating Loss</b>	\$ -	\$ 6,229	\$ 6,229
<b>Adjustments to Reconcile Operating Income to</b>			
<b>Net Cash Provided From (Used By) Operating Activities</b>			
(Increase) decrease in assets:			
Accounts receivable	-	145,337	145,337
Due from other governments	-	(1,000)	(1,000)
Due from other funds	(20,036)	-	(20,036)
Increase (decrease) in liabilities:			
Accounts payable	17,367	(1,178)	16,189
Accrued liabilities	24,749	(5,274)	19,475
Due to other funds	-	15	15
<b>Total adjustments</b>	<b>22,080</b>	<b>137,900</b>	<b>159,980</b>
<b>Net cash provided from (used by) operating activities</b>	<b>\$ 22,080</b>	<b>\$ 144,129</b>	<b>\$ 166,209</b>



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## **Internal Service Funds**

Internal Service Funds are used to account for the financing of goods or services by one department or agency to other departments or agencies of the government and to other governments, on a cost-reimbursement basis.

**Employee Benefit Fund** – This fund is used to account for the contributions received from various other City funds and employees to pay medical benefits and life insurance premiums for covered City employees. Payments are made to a paying agent who determines coverage on claims submitted by employees.

**Fleet Services Fund** – This fund is used to account for the repair and maintenance on all vehicles and equipment by the City, excluding the Water Utilities.

**City of Texarkana, Texas**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2021**

	<b>Employee Benefit</b>	<b>Fleet Services</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets			
Cash	\$ 931,391	\$ 49,526	\$ 980,917
Receivables (net of allowance for uncollectible)			
Accounts	269,260	-	269,260
Other government agencies	767,389	-	767,389
Due from other funds	101	-	101
Inventory	-	17,058	17,058
<b>TOTAL ASSETS</b>	<b>1,968,141</b>	<b>66,584</b>	<b>2,034,725</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	532,898	-	532,898
Accrued liability	287,065	26,840	313,905
Due to other funds	38	39	77
<b>TOTAL LIABILITIES</b>	<b>820,001</b>	<b>26,879</b>	<b>846,880</b>
<b>NET POSITION</b>			
Unrestricted	1,148,140	39,705	1,187,845
<b>TOTAL NET POSITION</b>	<b>\$ 1,148,140</b>	<b>\$ 39,705</b>	<b>\$ 1,187,845</b>

**City of Texarkana, Texas**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2021**

	<b>Employee Benefit</b>	<b>Fleet Services</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 7,686,090	\$ 142,603	\$ 7,828,693
Other	-	46,158	46,158
Total revenues	<u>7,686,090</u>	<u>188,761</u>	<u>7,874,851</u>
<b>OPERATING EXPENSES</b>			
Benefit payments	8,104,638	-	8,104,638
Cost of sales and service	-	1,258,627	1,258,627
Total expenditures	<u>8,104,638</u>	<u>1,258,627</u>	<u>9,363,265</u>
Operating loss	<u>(418,548)</u>	<u>(1,069,866)</u>	<u>(1,488,414)</u>
<b>NONOPERATING REVENUES</b>			
Interest revenue	<u>9,842</u>	<u>268</u>	<u>10,110</u>
Total nonoperating revenues	<u>9,842</u>	<u>268</u>	<u>10,110</u>
Income (loss) before transfers	(408,706)	(1,069,598)	(1,478,304)
Transfers in	-	1,065,194	1,065,194
Transfers out	<u>-</u>	<u>(1,367)</u>	<u>(1,367)</u>
Change in net position	(408,706)	(5,771)	(414,477)
Total net position - beginning	<u>1,556,846</u>	<u>45,476</u>	<u>1,602,322</u>
Total net position - ending	<u>\$ 1,148,140</u>	<u>\$ 39,705</u>	<u>\$ 1,187,845</u>

**City of Texarkana, Texas**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2021**

	<b>Employee Benefit</b>	<b>Fleet Services</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash received from users	\$ 7,342,391	\$ -	\$ 7,342,391
Cash received from interfund services provided and used	-	163,937	163,937
Cash paid to suppliers	(8,104,638)	(900,484)	(9,005,122)
Cash paid to employees	-	(337,731)	(337,731)
Net cash used by operating activities	<u>(762,247)</u>	<u>(1,074,278)</u>	<u>(1,836,525)</u>
<b>Cash flows from Noncapital Financing Activities</b>			
Transfers to other funds	-	(1,367)	(1,367)
Transfers in from other funds	-	1,065,194	1,065,194
Net cash provided from noncapital financing activities	<u>-</u>	<u>1,063,827</u>	<u>1,063,827</u>
<b>Cash Flows from Investing Activities</b>			
Interest received from investments	9,842	268	10,110
Net cash provided from investing activities	<u>9,842</u>	<u>268</u>	<u>10,110</u>
Decrease in cash	(752,405)	(10,183)	(762,588)
Cash at beginning of year	1,683,796	59,709	1,743,505
Cash at end of year	<u>\$ 931,391</u>	<u>\$ 49,526</u>	<u>\$ 980,917</u>
<b><u>Reconciliation of Operating Loss to Net Cash</u></b>			
<b><u>Used by Operating Activities</u></b>			
Operating loss	<u>\$ (418,548)</u>	<u>\$ (1,069,866)</u>	<u>\$ (1,488,414)</u>
<b>Adjustments to Reconcile Operating Loss to Net Cash</b>			
Accounts receivable	(128,165)	-	(128,165)
Due from other government agencies	(380,957)	-	(380,957)
Due from other funds	(80)	-	(80)
Inventory	-	8,126	8,126
<b>Increase in Liabilities</b>			
Accounts payable	(121,310)	(24,824)	(146,134)
Accrued payroll	286,775	12,286	299,061
Due to other funds	38	-	38
Total adjustments	<u>(343,699)</u>	<u>(4,412)</u>	<u>(348,111)</u>
Net cash used by from operating activities	<u>\$ (762,247)</u>	<u>\$ (1,074,278)</u>	<u>\$ (1,836,525)</u>

## **Fiduciary Funds**

Fiduciary Funds are established to account for assets held by the City in a trustee capacity, or as an agent for individuals, other governmental units, and/or other funds.

### **Custodial Funds**

**Police Evidence Fund** – This fund is used to account for evidence money seized by the Police Department. This money is held until disposition is directed by the courts.

**Drug Enforcement Fund** – This fund is used to account for evidence money seized by the Police Department, primarily in drug related cases. This money is held until disposition is directed by the courts.

**City of Texarkana, Texas**  
**Combining Statement of Fiduciary Net Position – Fiduciary Funds –**  
**Custodial Funds**  
**For the Year Ended September 30, 2021**

	<b>Police Evidence Escrow</b>	<b>Drug Escrow</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets</b>			
Cash and cash equivalents	\$ 20	\$ 88,989	\$ 89,009
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	20	88,989	89,009
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Liabilities</b>			
Due to other funds	20	994	1,014
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	20	994	1,014
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net Position</b>			
Restricted for individuals, organizations, other governments	\$ -	\$ 87,995	\$ 87,995
	<u>          </u>	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>	<u>          </u>

**City of Texarkana, Texas**  
**Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds –**  
**Custodial Funds**  
**For the Year Ended September 30, 2021**

	Police Evidence Escrow	Drug Escrow	Total
<b>Additions</b>			
Seized funds	\$ -	\$ 20,863	\$ 20,863
Interest and dividends	20	994	1,014
Total additions	<u>20</u>	<u>21,857</u>	<u>21,877</u>
<b>Deductions</b>			
Distributions to other governments	<u>1,827</u>	<u>994</u>	<u>2,821</u>
Total deductions	<u>1,827</u>	<u>994</u>	<u>2,821</u>
<b>Net Increase (Decrease) in Net Position</b>	(1,807)	20,863	19,056
Beginning net position	<u>1,807</u>	<u>67,132</u>	<u>68,939</u>
Ending net position	<u>\$ -</u>	<u>\$ 87,995</u>	<u>\$ 87,995</u>

**City of Texarkana, Texas**  
**Balance Sheet**  
**Component Unit – Health Center**  
**September 30, 2021**

**ASSETS**

Cash	\$	828,000
Receivables (net of allowance for uncollectible):		
Other government agencies		303,958
Due from primary government		7,723
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>1,139,681</u></b>

**LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable	\$	48,767
Accrued payroll		30,308
Unearned revenue		46,295
<b>TOTAL LIABILITIES</b>		<b><u>125,370</u></b>

Fund Balances:

Unassigned		1,014,311
<b>TOTAL FUND BALANCES</b>		<b><u>1,014,311</u></b>

<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$</b>	<b><u>1,139,681</u></b>
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**City of Texarkana, Texas**  
**Reconciliation of the Balance Sheet of**  
**Discretely Presented Component Unit to the**  
**Statement of Net Position**  
**Component Unit – Health Center**  
**September 30, 2021**

Total discretely presented component unit fund balance	\$ 1,014,311
Amounts reported for governmental discretely presented component units in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported at the fund level.	327,155
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred at the fund level.	<u>46,295</u>
Net position of discretely presented component unit	<u><u>\$ 1,387,761</u></u>

**City of Texarkana, Texas**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Component Unit – Health Center**  
**For the Year Ended September 30, 2021**

**REVENUES**

Charges for services	\$ 208,922
Grants and entitlements	750,711
Investment earnings:	
Interest and dividends	7,540
Intergovernmental	<u>197,669</u>
Total revenues	<u><u>1,164,842</u></u>

**EXPENDITURES**

Current:	
Health and welfare	938,685
Capital outlay	<u>2,392</u>
Total expenditures	<u><u>941,077</u></u>
Net change in fund balance	223,765
Fund balance at beginning of year	<u>790,546</u>
Fund balance at end of year	<u><u>\$ 1,014,311</u></u>

**City of Texarkana, Texas**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of the Discretely Presented**  
**Component Unit to the Statement of Activities**  
**Component Unit – Health Center**  
**For the Year Ended September 30, 2021**

Amounts reported for the discretely presented component unit in the statement of activities are different because:

Net change in fund balances - total discretely presented component unit	\$ 223,765
Governmental discretely presented component units report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the effect of those differences reported at the fund level.	11,052
Some revenues in the governmental discretely presented component unit are deferred because they are not collected within the prescribed time period after year-end. On the accrual basis, however, those revenues would be recognized, regardless of when they were collected. This is the net amount of the revenue differences as a result of deferrals because of the availability criterion under the modified accrual basis of accounting.	<u>(82,023)</u>
Change in net position of governmental discretely presented component unit	<u><u>\$ 152,794</u></u>



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## Statistical Section

This part of the City of Texarkana, Texas' comprehensive annual 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. Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**Financial Trends** – Schedule 1 through Schedule 6 – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

**Revenue Capacity** – Schedule 7 through Schedule 14 – These schedules contain information to help the reader assess the City's most significant local revenue sources, including property taxes and water and sewer revenue.

**Debt Capacity** – Schedule 15 through Schedule 19 – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

**Demographic and Economic Information** – Schedule 20 through Schedule 21 – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

**Operating Information** – Schedule 22 through Schedule 24 – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

# City of Texarkana, Texas

## Statistical Section

### Net Position by Component

#### Last Ten Fiscal Years

#### Schedule 1

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
Net invested in capital assets	\$ 77,541,533	\$ 82,719,452	\$ 83,155,796	\$ 85,106,547
Restricted	16,346,523	13,196,487	8,118,578	4,277,958
Unrestricted	5,992,540	5,815,734	11,274,308	4,979,007
Total governmental activities net position	<u>\$ 99,880,596</u>	<u>\$ 101,731,673</u>	<u>\$ 102,548,682</u>	<u>\$ 94,363,512</u>
Business-type activities:				
Net invested in capital assets	\$ 59,671,961	\$ 58,503,625	\$ 57,691,676	\$ 58,283,054
Restricted	6,302,773	8,744,657	10,809,056	10,183,541
Unrestricted	4,317,249	2,932,377	2,000,694	(314,620)
Total business-type activities net position	<u>\$ 70,291,983</u>	<u>\$ 70,180,659</u>	<u>\$ 70,501,426</u>	<u>\$ 68,151,975</u>
Primary government				
Net invested in capital assets	\$ 137,213,494	\$ 141,223,077	\$ 140,847,472	\$ 143,389,601
Restricted	22,649,296	21,941,144	18,927,634	14,461,499
Unrestricted	10,309,789	8,748,111	13,275,002	4,664,387
Total primary government net position	<u>\$ 170,172,579</u>	<u>\$ 171,912,332</u>	<u>\$ 173,050,108</u>	<u>\$ 162,515,487</u>

**City of Texarkana, Texas**  
**Statistical Section**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**Schedule 1 (Continued)**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 85,391,477	\$ 86,912,466	\$ 88,593,873	\$ 90,171,459	\$ 91,034,859	\$ 91,545,250
4,342,782	12,305,856	8,726,421	6,257,365	10,970,829	11,993,615
4,051,074	(950,495)	459,243	(290,772)	(2,782,965)	12,167,974
<u>\$ 93,785,333</u>	<u>\$ 98,267,827</u>	<u>\$ 97,779,537</u>	<u>\$ 96,138,052</u>	<u>\$ 99,222,723</u>	<u>\$ 115,706,839</u>
\$ 58,709,850	\$ 59,720,017	\$ 59,005,503	\$ 58,371,989	\$ 58,690,456	\$ 58,067,071
8,914,641	7,062,511	4,801,378	-	-	-
2,757,977	5,602,110	4,245,709	10,551,212	10,816,275	13,402,989
<u>\$ 70,382,468</u>	<u>\$ 72,384,638</u>	<u>\$ 68,052,590</u>	<u>\$ 68,923,201</u>	<u>\$ 69,506,731</u>	<u>\$ 71,470,060</u>
\$ 144,101,327	\$ 146,632,483	\$ 147,599,376	\$ 148,543,448	\$ 149,725,315	\$ 149,612,321
13,257,423	19,368,367	13,527,799	6,257,365	10,970,829	11,993,615
6,809,051	4,651,615	4,704,952	10,260,440	8,033,310	25,570,963
<u>\$ 164,167,801</u>	<u>\$ 170,652,465</u>	<u>\$ 165,832,127</u>	<u>\$ 165,061,253</u>	<u>\$ 168,729,454</u>	<u>\$ 187,176,899</u>

# City of Texarkana, Texas

## Statistical Section

### Changes in Net Position

#### Last Ten Fiscal Years

#### Schedule 2

	Fiscal Year			
	2012	2013	2014	2015
<b>Expenses</b>				
Governmental activities:				
Current:				
General government	\$ 5,984,631	\$ 6,797,714	\$ 7,114,857	\$ 7,416,500
Public safety	17,624,401	16,886,838	16,681,701	16,272,709
Public works	7,461,167	7,498,517	7,545,126	7,464,975
Parks and recreation	2,918,560	3,379,678	3,012,271	3,408,188
Health and welfare	2,451,906	2,335,011	1,915,780	1,436,864
Interest on long-term debt	2,593,982	2,167,516	2,262,532	2,043,793
Total governmental activities expenses	<u>39,034,647</u>	<u>39,065,274</u>	<u>38,532,267</u>	<u>38,043,029</u>
Business-type activities:				
Water and Sewer	15,840,902	15,813,999	15,841,333	15,736,026
Total business-type activities expenses	<u>15,840,902</u>	<u>15,813,999</u>	<u>15,841,333</u>	<u>15,736,026</u>
Total primary government expenses	<u>\$ 54,875,549</u>	<u>\$ 54,879,273</u>	<u>\$ 54,373,600</u>	<u>\$ 53,779,055</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 583,956	\$ 981,567	\$ 887,114	\$ 812,556
Public safety	1,725,816	1,698,464	1,733,651	2,192,611
Other activities	581,768	748,273	756,869	1,020,804
Operating grants and contributions	2,467,647	1,851,104	1,323,001	1,514,552
Capital grants and contributions	-	566,142	808,174	-
Total governmental activities program revenues	<u>5,359,187</u>	<u>5,845,550</u>	<u>5,508,809</u>	<u>5,540,523</u>
Business-type activities:				
Charges for services:				
Water and sewer	16,136,042	15,642,192	15,198,786	15,448,372
Capital grants and contributions	-	39,387	38,071	118,869
Total business-type activities program revenues	<u>16,136,042</u>	<u>15,681,579</u>	<u>15,236,857</u>	<u>15,567,241</u>
Total primary government program revenues	<u>\$ 21,495,229</u>	<u>\$ 21,527,129</u>	<u>\$ 20,745,666</u>	<u>\$ 21,107,764</u>

**City of Texarkana, Texas**  
**Statistical Section**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**Schedule 2 (Continued)**

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 8,011,669	\$ 8,357,159	\$ 9,748,511	\$ 10,276,183	\$ 9,161,814	\$ 7,325,779	
16,396,091	17,875,634	17,965,103	18,612,666	17,724,082	12,524,376	
8,881,205	9,044,672	9,119,545	9,681,167	9,708,732	10,106,568	
3,446,421	3,517,538	3,630,516	3,562,369	3,596,959	3,714,985	
1,671,102	1,532,646	1,790,592	1,192,402	882,349	5,715,591	
2,085,451	1,770,944	1,908,617	1,626,684	1,682,347	1,248,583	
<u>40,491,939</u>	<u>42,098,593</u>	<u>44,162,884</u>	<u>44,951,471</u>	<u>42,756,283</u>	<u>40,635,882</u>	
<u>15,734,804</u>	<u>16,409,625</u>	<u>16,173,218</u>	<u>17,595,681</u>	<u>20,626,724</u>	<u>19,647,503</u>	
<u>15,734,804</u>	<u>16,409,625</u>	<u>16,173,218</u>	<u>17,595,681</u>	<u>20,626,724</u>	<u>19,647,503</u>	
<u>\$ 56,226,743</u>	<u>\$ 58,508,218</u>	<u>\$ 60,336,102</u>	<u>\$ 62,547,152</u>	<u>\$ 63,383,007</u>	<u>\$ 60,283,385</u>	
\$ -	\$ 1,107,648	\$ 860,962	\$ 760,372	\$ 583,372	\$ 637,597	
1,838,438	1,890,660	1,990,244	1,757,716	1,348,552	1,473,903	
856,602	1,017,640	970,713	857,301	657,737	718,875	
1,628,327	1,659,145	2,695,060	1,386,805	4,423,031	7,326,526	
-	-	-	-	-	-	
<u>4,323,367</u>	<u>5,675,093</u>	<u>6,516,979</u>	<u>4,762,194</u>	<u>7,012,692</u>	<u>10,156,901</u>	
<u>16,775,322</u>	<u>17,130,716</u>	<u>17,663,399</u>	<u>16,768,896</u>	<u>16,792,121</u>	<u>17,406,402</u>	
<u>39,327</u>	<u>39,365</u>	<u>22,539</u>	<u>-</u>	<u>3,932</u>	<u>388,847</u>	
<u>16,814,649</u>	<u>17,170,081</u>	<u>17,685,938</u>	<u>16,768,896</u>	<u>16,796,053</u>	<u>17,795,249</u>	
<u>\$ 21,138,016</u>	<u>\$ 22,845,174</u>	<u>\$ 24,202,917</u>	<u>\$ 21,531,090</u>	<u>\$ 23,808,745</u>	<u>\$ 27,952,150</u>	

(Continued)

**City of Texarkana, Texas**  
**Statistical Section**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**Schedule 2 (Continued)**

	Fiscal Year			
	2012	2013	2014	2015
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (33,675,460)	\$ (33,219,724)	\$ (33,023,458)	\$ (32,502,506)
Business-type activities	295,140	(132,420)	(604,476)	(168,785)
Total primary government net expense	<u>\$ (33,380,320)</u>	<u>\$ (33,352,144)</u>	<u>\$ (33,627,934)</u>	<u>\$ (32,671,291)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Property taxes	\$ 13,655,104	\$ 15,577,638	\$ 15,763,817	\$ 16,450,285
Sales taxes	13,800,353	14,114,271	14,326,770	14,735,398
Franchise taxes	2,070,004	2,002,603	2,005,690	2,006,662
Other taxes	1,278,680	1,264,118	1,351,583	1,248,856
Unrestricted investment earnings	211,155	186,700	170,967	88,788
Gain on sale of capital assets	-	-	-	-
Miscellaneous	1,211,493	1,235,793	365,470	169,481
Intergovernmental	-	-	-	-
Transfers	268,900	3,318,900	1,086,504	18,900
Total governmental activities	<u>32,495,689</u>	<u>37,700,023</u>	<u>35,070,801</u>	<u>34,718,370</u>
Business-type activities:				
Unrestricted investment earnings	65,121	50,601	38,346	62,088
Miscellaneous	1,070,149	965,964	1,069,254	1,055,847
Transfers	(268,900)	(3,318,900)	(1,086,504)	(18,900)
Total business-type activities program revenues	<u>866,370</u>	<u>(2,302,335)</u>	<u>21,096</u>	<u>1,099,035</u>
<b>Change in Net Position</b>				
Governmental activities	(1,179,771)	4,480,299	2,047,343	2,215,864
Business-type activities	1,161,510	(2,434,755)	(583,380)	930,250
Total primary government	<u>\$ (18,261)</u>	<u>\$ 2,045,544</u>	<u>\$ 1,463,963</u>	<u>\$ 3,146,114</u>

**City of Texarkana, Texas**  
**Statistical Section**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**Schedule 2 (Continued)**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ (36,168,572)	\$ (36,423,500)	\$ (37,645,905)	\$ (40,189,277)	\$ (35,743,591)	\$ (30,478,982)
<u>1,079,845</u>	<u>760,456</u>	<u>1,512,720</u>	<u>(826,785)</u>	<u>(3,830,671)</u>	<u>(1,852,254)</u>
<u>\$ (35,088,727)</u>	<u>\$ (35,663,044)</u>	<u>\$ (36,133,185)</u>	<u>\$ (41,016,062)</u>	<u>\$ (39,574,262)</u>	<u>\$ (32,331,236)</u>
\$ 16,304,576	\$ 15,979,531	\$ 17,441,622	\$ 17,432,676	\$ 17,867,578	\$ 17,851,383
15,164,177	15,899,829	15,693,696	16,446,745	16,807,951	19,464,684
1,970,362	1,789,518	1,724,035	1,844,779	1,678,268	1,733,108
1,273,131	1,661,189	1,468,143	1,630,377	1,666,183	1,929,547
107,914	105,702	254,679	545,540	564,439	435,052
89,385	-	-	-	-	-
180,820	135,724	4,283,822	511,629	878,642	1,074,823
-	-	-	-	-	4,702,009
18,900	18,900	39,997	6,018,900	(634,799)	(227,508)
<u>35,109,265</u>	<u>35,590,393</u>	<u>40,905,994</u>	<u>44,430,646</u>	<u>38,828,262</u>	<u>46,963,098</u>
60,910	60,226	152,275	171,431	247,600	117,484
1,140,886	1,109,322	1,129,436	1,181,071	3,531,802	3,470,592
<u>(18,900)</u>	<u>(18,900)</u>	<u>(39,997)</u>	<u>(6,018,900)</u>	<u>634,799</u>	<u>227,508</u>
<u>1,182,896</u>	<u>1,150,648</u>	<u>1,241,714</u>	<u>(4,666,398)</u>	<u>4,414,201</u>	<u>3,815,584</u>
(1,059,307)	(833,107)	3,260,089	4,241,369	3,084,671	16,484,116
<u>2,262,741</u>	<u>1,911,104</u>	<u>2,754,434</u>	<u>(5,493,183)</u>	<u>583,530</u>	<u>1,963,329</u>
<u>\$ 1,203,434</u>	<u>\$ 1,077,997</u>	<u>\$ 6,014,523</u>	<u>\$ (1,251,814)</u>	<u>\$ 3,668,201</u>	<u>\$ 18,447,445</u>

**City of Texarkana, Texas**  
**Statistical Section**  
**Program Revenues by Function/Program**  
**Last Ten Fiscal Years**  
**Schedule 3**

	Program Revenues				
	2012	2013	2014	2015	2016
<b>Function/ Program</b>					
Governmental activities:					
General government	\$ 750,688	\$ 1,145,219	\$ 1,061,405	\$ 1,436,416	\$ 408,024
Public safety	2,321,374	1,988,390	2,252,465	2,502,162	2,112,647
Public works	332,797	680,520	979,029	564,645	425,131
Parks and Recreation	527,139	365,251	355,000	304,110	295,790
Health and welfare	1,427,189	1,666,170	860,910	733,190	1,081,775
Subtotal governmental activities	<u>5,359,187</u>	<u>5,845,550</u>	<u>5,508,809</u>	<u>5,540,523</u>	<u>4,323,367</u>
<i>Business-type activities:</i>					
Water and sewer	<u>16,136,042</u>	<u>15,681,579</u>	<u>15,236,857</u>	<u>15,567,241</u>	<u>16,814,649</u>
Subtotal business-type activities	<u>16,136,042</u>	<u>15,681,579</u>	<u>15,236,857</u>	<u>15,567,241</u>	<u>16,814,649</u>
Total primary government	<u>\$ 21,495,229</u>	<u>\$ 21,527,129</u>	<u>\$ 20,745,666</u>	<u>\$ 21,107,764</u>	<u>\$ 21,138,016</u>

**City of Texarkana, Texas**  
**Statistical Section**  
**Program Revenues by Function/Program**  
**Last Ten Fiscal Years**  
**Schedule 3 (Continued)**

Program Revenues				
2017	2018	2019	2020	2021
\$ 1,466,198	\$ 1,500,537	\$ 1,089,480	\$ 583,372	\$ 637,597
2,542,648	2,663,396	2,104,102	1,348,552	1,473,903
454,190	581,768	450,158	277,207	302,974
336,621	277,088	239,364	177,914	194,451
875,436	1,494,190	879,090	202,616	221,450
<u>5,675,093</u>	<u>6,516,979</u>	<u>4,762,194</u>	<u>2,589,661</u>	<u>2,830,375</u>
<u>17,170,081</u>	<u>17,685,938</u>	<u>16,768,896</u>	<u>16,792,121</u>	<u>17,406,402</u>
<u>17,170,081</u>	<u>17,685,938</u>	<u>16,768,896</u>	<u>16,792,121</u>	<u>17,406,402</u>
<u>\$ 22,845,174</u>	<u>\$ 24,202,917</u>	<u>\$ 21,531,090</u>	<u>\$ 19,381,782</u>	<u>\$ 20,236,777</u>

**City of Texarkana, Texas**  
**Statistical Section**  
**Fund Balance, Governmental Funds**  
**Last Ten Fiscal Years**  
**Schedule 4**

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>General Fund</b>					
Nonspendable	\$ 101,081	\$ 98,990	\$ 93,432	\$ 88,297	\$ 90,247
Restricted	478,043	330,049	689,448	675,143	648,797
Committed	-	-	35,000	-	20,848
Assigned	462,852	36,021	128,739	268,073	145,932
Unassigned	7,808,993	10,327,257	9,304,806	10,511,161	12,003,407
Total General Fund	<u>\$ 8,850,969</u>	<u>\$ 10,792,317</u>	<u>\$ 10,251,425</u>	<u>\$ 11,542,674</u>	<u>\$ 12,909,231</u>
<b>All Other Governmental Funds</b>					
Nonspendable					
Special revenue fund	\$ 310,426	\$ 261,448	\$ 325,693	\$ 411,561	\$ 353,067
Restricted					
Special revenue fund	854,290	499,913	4,624,343	568,030	882,022
Debt service fund	318,394	-	-	-	76,937
Capital projects fund	14,388,271	12,070,107	2,515,323	2,806,712	2,422,336
Committed					
Special revenue fund	1,751,275	1,149,318	1,112,025	1,267,865	1,372,641
Assigned					
Special revenue fund	1,371,484	862,925	942,542	1,102,850	1,528,344
Unassigned					
Special revenue fund	(338,733)	(340,465)	(139,462)	(94,755)	(173,131)
Debt service fund	-	(104,606)	(146,654)	(173,968)	-
Capital projects fund	(741,393)	-	-	(31,268)	-
Total all other governmental funds	<u>\$ 17,914,014</u>	<u>\$ 14,398,640</u>	<u>\$ 9,233,810</u>	<u>\$ 5,857,027</u>	<u>\$ 6,462,216</u>

**City of Texarkana, Texas**  
**Statistical Section**  
**Fund Balance, Governmental Funds**  
**Last Ten Fiscal Years**  
**Schedule 4 (Continued)**

Fiscal Year				
2017	2018	2019	2020	2021
\$ 91,371	\$ 90,274	\$ 88,838	\$ -	\$ -
658,975	689,749	725,081	-	4,878
-	-	-	-	-
149,274	9,247,919	4,770,190	5,088,959	9,358,748
13,215,235	8,655,483	9,846,341	13,796,333	18,307,622
<u>\$ 14,114,855</u>	<u>\$ 18,683,425</u>	<u>\$ 15,430,450</u>	<u>\$ 18,885,292</u>	<u>\$ 27,671,248</u>
\$ 380,453	\$ 372,047	\$ 599,833	\$ 2,532,445	\$ 3,412,246
953,099	1,724,450	3,889,715	5,153,324	3,044,429
22,502	206,784	392,006	366,388	349,310
9,736,141	5,306,583	4,564,432	8,664,562	4,868,436
887,434	3,277,171	1,443,943	1,714,299	1,931,875
1,933,041	809,864	819,933	878,046	756,696
(221,313)	(139,103)	(120,784)	(2,423,508)	(1,265,200)
-	-	-	-	-
-	-	-	-	-
<u>\$ 13,691,357</u>	<u>\$ 11,557,796</u>	<u>\$ 11,589,078</u>	<u>\$ 16,885,556</u>	<u>\$ 13,097,792</u>

**City of Texarkana, Texas**  
**Statistical Section**  
**Changes in Fund Balance, Governmental Funds**  
**Last Ten Fiscal Years**  
**Schedule 5**

	Fiscal Year			
	2012	2013	2014	2015
<b>REVENUES</b>				
Taxes	\$ 33,042,265	\$ 33,432,131	\$ 33,976,724	\$ 34,290,500
Fees and permits	185,615	245,003	241,751	726,386
Charges for services	622,632	1,175,867	560,530	377,102
Municipal court	1,715,643	1,631,182	1,652,149	2,023,923
Grants and entitlements	1,999,673	794,466	626,421	369,114
Investment earnings	178,533	167,813	79,017	82,785
Intergovernmental	321,621	1,092,352	1,518,657	1,006,232
Sale of capital assets	-	-	-	-
Other	288,508	647,550	447,449	357,902
Total revenues	<u>38,354,490</u>	<u>39,186,364</u>	<u>39,102,698</u>	<u>39,233,944</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,687,089	6,096,316	5,778,132	6,500,409
Public safety	15,729,556	15,370,410	14,913,921	14,900,200
Public works	3,815,722	3,843,357	4,085,840	4,674,794
Parks and recreation	2,133,616	2,393,470	2,234,747	2,429,448
Health and welfare	2,272,270	2,144,737	1,727,656	1,073,624
Miscellaneous	-	-	-	-
Capital outlay	12,141,083	4,651,366	8,921,568	5,152,652
Debt service:				
Principal retirement	3,788,802	3,780,647	3,747,283	3,639,164
Interest and fiscal charges	2,301,087	2,182,138	2,047,350	1,939,214
Bond issuance costs	219,427	193,000	-	-
Total expenditures	<u>48,088,652</u>	<u>40,655,441</u>	<u>43,456,497</u>	<u>40,309,505</u>
Excess (deficiency) of revenues over expenditures	<u>(9,734,162)</u>	<u>(1,469,077)</u>	<u>(4,353,799)</u>	<u>(1,075,561)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,277,448	4,472,167	995,874	1,089,860
Transfers out	(2,406,073)	(4,630,978)	(2,392,810)	(2,186,683)
Proceeds from issuance of debt	-	-	-	-
Bonds issued	14,845,000	14,550,000	-	-
Tax notes issued	-	-	-	-
Payments to refunded bond escrow agent	(11,805,488)	(15,788,017)	-	-
Bond premium	1,150,861	1,270,367	-	-
Capital lease	82,905	21,512	45,013	86,851
Discount on bonds issued	-	-	-	-
Total other financing sources (uses)	<u>6,144,653</u>	<u>(104,949)</u>	<u>(1,351,923)</u>	<u>(1,009,972)</u>
Net change in fund balances	<u>\$ (3,589,509)</u>	<u>\$ (1,574,026)</u>	<u>\$ (5,705,722)</u>	<u>\$ (2,085,533)</u>
Debt Service as a percentage of noncapital expenditures	16.9%	16.6%	16.8%	15.9%

**City of Texarkana, Texas**  
**Statistical Section**  
**Changes in Fund Balance, Governmental Funds**  
**Last Ten Fiscal Years**  
**Schedule 5 (Continued)**

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 35,562,155	\$ 36,156,991	\$ 37,452,474	\$ 37,582,888	\$ 38,279,599	\$ 41,782,134	
579,704	596,610	554,698	724,420	548,957	427,598	
868,486	956,020	983,120	1,095,467	1,099,773	1,037,669	
1,671,117	1,733,350	1,826,561	1,422,961	943,011	599,736	
258,240	708,218	1,726,751	745,989	1,793,192	1,583,239	
96,316	180,985	494,331	700,925	539,518	414,628	
923,001	633,866	1,081,302	913,126	920,911	7,128,675	
-	-	-	-	-	-	
632,649	556,701	483,478	746,008	1,014,318	1,324,107	
<u>40,591,668</u>	<u>41,522,741</u>	<u>44,602,715</u>	<u>43,931,784</u>	<u>45,139,279</u>	<u>54,297,786</u>	
7,144,935	7,789,701	8,295,387	7,753,710	7,223,505	7,795,281	
14,033,527	14,989,492	15,305,697	15,503,976	15,935,509	11,653,823	
5,069,600	5,149,470	5,142,191	5,443,261	4,986,705	5,220,381	
2,428,568	2,381,295	2,437,334	2,708,328	2,742,918	2,860,944	
1,483,091	1,286,529	1,586,089	1,192,402	882,349	5,715,591	
-	-	-	-	4,363	-	
3,136,260	9,459,729	8,593,001	3,717,535	5,424,271	6,449,327	
3,643,800	3,730,323	3,791,639	8,106,130	4,055,256	4,267,631	
1,851,466	1,538,361	2,102,754	1,929,912	1,636,949	1,373,439	
-	449,593	-	-	-	-	
<u>38,791,247</u>	<u>46,774,493</u>	<u>47,254,092</u>	<u>46,355,254</u>	<u>42,891,825</u>	<u>45,336,417</u>	
<u>1,800,421</u>	<u>(5,251,752)</u>	<u>(2,651,377)</u>	<u>(2,423,470)</u>	<u>2,247,454</u>	<u>8,961,369</u>	
1,621,310	2,171,120	7,366,390	6,506,530	2,769,947	1,848,480	
(2,627,481)	(3,052,626)	(2,436,585)	(7,345,117)	(4,074,595)	(2,912,307)	
-	-	-	-	663,110	-	
-	23,250,000	-	-	13,575,000	-	
-	-	-	-	-	-	
-	(9,792,779)	-	-	(6,815,689)	-	
-	1,110,802	-	-	356,018	-	
1,177,496	-	156,581	40,364	30,075	-	
-	-	-	-	-	-	
<u>171,325</u>	<u>13,686,517</u>	<u>5,086,386</u>	<u>(798,223)</u>	<u>6,503,866</u>	<u>(1,063,827)</u>	
<u>\$ 1,971,746</u>	<u>\$ 8,434,765</u>	<u>\$ 2,435,009</u>	<u>\$ (3,221,693)</u>	<u>\$ 8,751,320</u>	<u>\$ 7,897,542</u>	
15.4%	14.1%	15.2%	23.5%	15.2%	14.5%	



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**City of Texarkana, Texas**  
**Statistical Section**  
**Tax Revenue by Source, Governmental Funds**  
**Last Ten Fiscal Years**  
**Schedule 6**

<b>Fiscal Year</b>	<b>Property</b>	<b>Sales and Use</b>	<b>Franchise</b>	<b>Other</b>	<b>Total</b>
2012	\$ 15,629,446	\$ 14,114,271	\$ 2,002,603	\$ 1,295,945	\$ 33,042,265
2013	15,762,593	14,326,770	2,005,689	1,337,079	33,432,131
2014	15,993,035	14,735,398	2,006,662	1,241,629	33,976,724
2015	15,886,472	15,164,177	1,891,699	1,348,152	34,290,500
2016	16,186,609	15,899,829	1,868,181	1,607,536	35,562,155
2017	17,178,991	15,693,696	1,724,035	1,560,269	36,156,991
2018	17,510,391	16,446,745	1,844,778	1,650,560	37,452,474
2019	17,920,441	16,241,666	1,810,734	1,610,047	37,582,888
2020	18,127,196	16,807,951	1,678,268	1,666,184	38,279,599
2021	18,654,795	19,464,683	1,733,108	1,929,548	41,782,134
Percentage change	2.91%	15.81%	3.27%	15.81%	9.15%

**City of Texarkana, Texas**  
**Statistical Section**  
**Assessed and Estimated Actual Value of Taxable Property**  
**(per \$100 of assessed value)**  
**Last Ten Fiscal Years**  
**Schedule 7**

<b>Fiscal Year</b>	<b>Tax Roll Year</b>	<b>Personal Property Assessed Value</b>	<b>Real Property Assessed Value</b>	<b>Total Property Assessed Value</b>	<b>Tax Rate (1)</b>	<b>Gross Tax Levy</b>
2012	2011	\$ 356,579,341	\$ 2,048,746,535	\$ 2,405,325,876	0.669293	\$ 16,098,678
2013	2012	366,695,306	2,046,730,722	2,413,426,028	0.669293	16,152,891
2014	2013	369,660,911	2,081,673,471	2,451,334,382	0.669293	16,406,609
2015	2014	369,666,514	2,089,129,528	2,458,796,042	0.669293	16,456,550
2016	2015	385,406,566	2,089,714,475	2,475,121,041	0.669293	16,565,812
2017	2016	409,551,523	2,117,305,243	2,526,856,766	0.700000	17,687,997
2018	2017	406,030,360	2,150,060,844	2,556,091,204	0.700000	17,892,638
2019	2018	403,949,371	2,200,563,940	2,604,513,311	0.700000	18,231,593
2020	2019	404,959,120	2,240,086,326	2,645,045,446	0.700000	18,515,318
2021	2020	406,005,575	2,318,140,024	2,724,145,599	0.700000	19,069,019

Note:

(1) Tax rate per \$100 of assessed value.

Source: Bowie Central Appraisal District

	Frozen Items & Late Penalty Gain	Total Tax Levy	Adjustments	Adjusted Tax Levy	Tax Distribution	
					General Fund	Debt Service
\$	(619,201)	\$ 15,479,477	\$ (7,400)	\$ 15,472,077	\$ 10,326,060	\$ 5,146,016
	(553,382)	15,599,510	(9,090)	15,590,420	10,454,262	5,136,157
	(520,491)	15,886,117	(45,380)	15,840,737	10,779,554	5,061,184
	(456,263)	16,000,287	(191,570)	15,808,717	10,832,450	4,976,267
	(453,708)	16,112,104	(60,396)	16,051,708	11,282,816	4,768,892
	(501,103)	17,186,894	30,201	17,217,095	12,781,676	4,435,419
	(479,985)	17,412,654	(24,226)	17,388,428	12,398,892	4,989,535
	(478,145)	17,753,448	(11,080)	17,742,368	13,793,424	3,948,944
	(511,103)	18,004,215	(38,738)	17,965,477	14,082,367	3,883,110
	(566,695)	18,502,333	(30,442)	18,471,891	14,838,206	3,633,685

**City of Texarkana, Texas**  
**Statistical Section**  
**District and Overlapping Property Tax Rates**  
**(per \$100 of assessed value)**  
**Last Ten Fiscal Years**  
**Schedule 8**

<b>Fiscal Year</b>	<b>City Direct Rates</b>		
	<b>General</b>	<b>General Obligation Debt Service</b>	<b>Total City Direct Rate</b>
2012	0.446686	0.222607	0.669293
2013	0.448799	0.220494	0.669293
2014	0.455451	0.213842	0.669293
2015	0.458613	0.210680	0.669293
2016	0.470449	0.198844	0.669293
2017	0.519668	0.180332	0.700000
2018	0.499138	0.200862	0.700000
2019	0.544200	0.155800	0.700000
2020	0.548700	0.151300	0.700000
2021	0.562300	0.137700	0.700000

Source: Bowie Central Appraisal District

Notes: Overlapping rates are those of local and county governments that apply to the property owners within the City of Texarkana, Texas. Not all overlapping rates apply to all City property owners.

**City of Texarkana, Texas**  
**Statistical Section**  
**District and Overlapping Property Tax Rates**  
**(per \$100 of assessed value)**  
**Last Ten Fiscal Years**  
**Schedule 8 (Continued)**

**Overlapping Rates**

<b>Texarkana Independent School District</b>	<b>Bowie County</b>	<b>Texarkana College</b>	<b>Liberty-Eylau Independent School District</b>	<b>Pleasant Grove Independent School District</b>	<b>Red Lick Independent School District</b>
1.339	0.3262	0.105339	1.29622	1.44	
1.339	0.3612	0.105267	1.26126	1.44	
1.339	0.4736	0.105267	1.26102	1.44	
1.425	0.3992	0.105267	1.26100	1.44	
1.425	0.3992	0.105267	1.26100	1.44	
1.425	0.4243	0.110718	1.37000	1.44	
1.425	0.4243	0.118115	1.37000	1.44	1.18
1.425	0.0424	0.118115	1.37000	1.46	1.18
1.323	0.0424	0.123081	1.26840	1.38	1.11
1.310	0.4243	0.123081	1.25470	1.37	1.09

**City of Texarkana, Texas**  
**Statistical Section**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**Schedule 9**

Taxpayer	Rank	2021	
		2020 Assessed Valuation (1) (2)	Percentage of Total Assessed Valuation
AEP Southwestern Electric Power Co.	1	\$ 27,542,691	1.01%
Christus Health Ark La Tx	2	24,647,663	0.90%
Rancho Texarkana Investors LLC	3	17,829,026	0.65%
Sterno Candle Lamp	4	14,262,317	0.52%
Dillard Texas Four-Point LLC	5	13,412,057	0.49%
LPG Apartments LP	6	13,200,000	0.48%
Patmos Holding LLC	7	12,380,260	
Central Mall Texar Realty Hold	8	12,231,934	
William Gregg Orr	9	11,923,038	0.44%
Arista Apartments	10	10,825,618	0.40%
MPT of Texarkana - Steward LLC			
Arklatex Real Estate LP			
Walmart Stores #01-2123			
Valor Telecom of Texas LP			
GG&A Central Mall Partners			
Richmond Road Apartments LP			
Cowhorn Creek Properties, LLC			
Condeb, LP			
Total principal taxpayers		\$ 158,254,604	4.89%

(1) Net of exemptions

(2) Source - Bowie Central Appraisal District

**City of Texarkana, Texas**  
**Statistical Section**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**Schedule 9 (Continued)**

2012		
Rank	2011 Assessed Valuation (1) (2)	Percentage of Total Assessed Valuation
	\$ 15,205,823	0.63%
	106,988,838	4.45%
	12,094,694	0.50%
	10,765,793	0.45%
	19,138,359	0.80%
	11,708,531	0.49%
	31,920,937	1.33%
	14,215,963	0.59%
	10,573,819	0.44%
	10,371,895	0.43%
	\$ 242,984,652	10.11%

**City of Texarkana, Texas**  
**Statistical Section**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**Schedule 10**

Fiscal Year	Tax Roll Year	Total Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage		Amount	Percentage
2012	2011	\$ 15,472,077	\$ 15,117,864	97.71%	\$ 319,055	\$ 15,436,919	99.77%
2013	2012	15,590,419	15,256,890	97.86%	294,282	15,551,172	99.75%
2014	2013	15,840,738	15,514,090	97.94%	285,398	15,799,488	99.74%
2015	2014	15,808,717	15,452,342	97.75%	303,894	15,756,236	99.67%
2016	2015	16,051,708	15,748,536	98.11%	251,119	15,999,655	99.68%
2017	2016	17,217,095	16,814,025	97.66%	339,673	17,153,698	99.63%
2018	2017	17,388,427	17,037,845	97.98%	271,682	17,309,527	99.55%
2019	2018	17,742,368	17,400,106	98.07%	235,254	17,635,360	99.40%
2020	2019	17,965,477	17,674,056	98.38%	154,049	17,828,105	99.24%
2021	2020	18,471,891	18,227,623	98.68%	-	18,227,623	98.68%

Ad valorem taxes are levied on October 1 of each year.

Source - September certified jurisdiction report.

**City of Texarkana, Texas**  
**Statistical Section**  
**Direct and Overlapping Sales Tax Rates**  
**(per \$100 of assessed value)**  
**Last Ten Fiscal Years**  
**Schedule 11**

<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>Bowie County</b>
2012	1.50%	0.50%
2013	1.50%	0.50%
2014	1.50%	0.50%
2015	1.50%	0.50%
2016	1.50%	0.50%
2017	1.50%	0.50%
2018	1.50%	0.50%
2019	1.50%	0.50%
2020	1.50%	0.50%
2021	1.50%	0.50%

Source: Texas Comptroller Website

**City of Texarkana, Texas**  
**Statistical Section**  
**Water Sold by Type of Customer – Texarkana, Texas Water Utilities**  
**(in thousands of gallons)**  
**Last Ten Fiscal Years**  
**Schedule 12**

<b>Type of Customer</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Residential	1,141,614	1,027,446	1,417,654	1,376,505
Commercial	769,874	717,174	991,064	951,031
Member Cities	1,071,608	952,637	874,055	817,986
Wholesale	<u>650,888</u>	<u>958,491</u>	<u>948,195</u>	<u>918,397</u>
<b>Total</b>	<u><u>3,633,984</u></u>	<u><u>3,655,748</u></u>	<u><u>4,230,968</u></u>	<u><u>4,063,919</u></u>

<b>Total Direct Rate</b>				
<b>per 1,000 Gallons</b>				
Residential (2)	3.01	3.01	3.01	3.01
>0-2,000				
>2,000-5,000				
>5,000-7,000				
>7,000-10,000				
>10,000				
Commercial (2)	2.26	2.26	2.26	2.26
>0-2,000				
>2,000-5,000				
>5,000-7,000				
>7,000-10,000				
>10,000				
Member Cities	0.83	0.73	0.7448	0.7275

(1) Includes TexAmericas Center usage of 231,851 (in 000's) since pass-through usage serving RRAD is billed at Member City consensus rate.

(2) TWU adopted tiered structure for water rates during FY 2016.

**City of Texarkana, Texas**  
**Statistical Section**  
**Water Sold by Type of Customer – Texarkana, Texas Water Utilities**  
**(in thousands of gallons)**  
**Last Ten Fiscal Years**  
**Schedule 12 (Continued)**

2016	2017	2018	2019	2020	2021
1,287,088	1,188,352	1,309,564	1,274,485	1,469,904	1,348,391
973,341	904,554	956,902	940,855	939,774	898,927
850,476	872,256	1,137,326	1,039,938	1,083,498	1,087,940
<u>995,876</u>	<u>1,021,527</u>	<u>742,249</u>	<u>733,093 (1)</u>	<u>710,133 (1)</u>	<u>758,998 (1)</u>
<u><u>4,106,781</u></u>	<u><u>3,986,689</u></u>	<u><u>4,146,041</u></u>	<u><u>3,988,371</u></u>	<u><u>4,203,309</u></u>	<u><u>4,094,256</u></u>
3.01	1.75	1.75	1.80	1.80	1.80
	2.00	2.00	2.06	2.06	2.06
	3.25	3.25	3.34	3.34	3.34
	3.75	3.75	3.86	3.86	3.86
	4.00	4.00	4.11	4.11	4.11
2.26	3.25	3.25	3.341	3.34	3.34
	3.25	3.25	3.341	3.34	3.34
	3.25	3.25	3.341	3.34	3.34
	3.25	3.25	3.341	3.34	3.34
	3.25	3.25	3.341	3.34	3.34
0.7986	0.8109	0.8914	0.9006	0.9389	0.9302

**City of Texarkana, Texas**  
**Statistical Section**  
**Water and Sewer Rates – Texarkana, Texas Water Utilities**  
**Last Ten Fiscal Years**  
**Schedule 13**

Fiscal Year	Water		Sewer	
	Monthly Minimum 2000 Gals	Rate per 1000 Gals Over Minimum	Monthly Minimum 2000 Gals	Rate per 1000 Gals Over Minimum
<b>Residential</b>				
2012	8.15	3.01	10.52	3.77
2013	8.15	3.01	10.52	3.77
2014	8.15	3.01	10.52	3.77
2015	8.15	3.01	10.52	3.77
2016	8.15	(3)	10.52	3.77
2017	8.15	(3)	10.52	3.77
2018	8.15	(3)	10.52	3.77
2019	8.38	(3)	10.81	3.88
2020	8.38	(3)	10.81	3.88
2021	8.38	(3)	10.81	3.88
>0-2,000		1.80		
>2,000-5,000		2.06		
>5,000-7,000		3.34		
>7,000-10,000		3.86		
>10,000		4.11		
<b>Commercial</b>				
2012	9.28	2.26	10.52	4.41
2013	9.28	2.26	10.52	4.41
2014	9.28	2.26	10.52	4.41
2015	9.28	2.26	10.52	4.41
2016	9.28	(3)	10.52	4.41
2017	9.28	(3)	10.52	4.41
2018	9.28	(3)	10.52	4.41
2019	9.54	(3)	10.81	4.53
2020	9.54	(3)	10.81	4.53
2021	9.54	(3)	10.81	4.53
>0-2,000		3.34		
>2,000-5,000		3.34		
>5,000-7,000		3.34		
>7,000-10,000		3.34		
>10,000		3.34		

Note: (3) TWU adopted tiered structure for water rates during FY2016

**City of Texarkana, Texas**  
**Statistical Section**  
**Principal Water and Sewer Revenue Payers – Texarkana, Texas Water Utilities**  
**Current Year and Nine Years Ago**  
**Schedule 14**

Payer	2021			2012		
	Rank (1)	Water & Sewer Revenue	Percentage of Total Water & Sewer Revenue	Rank (1)	Water & Sewer Revenue	Percentage of Total Water & Sewer Revenue
Christus St. Michael Hospital	1	\$ 500,406	3.16%	2	\$ 266,739	2.21%
Federal Correctional Institute	2	512,545	3.23%	1	570,146	4.72%
TCI (Alcoa)	3	194,923	1.23%			
West Fraser	4	103,485	0.65%			
TISD	5	147,843	0.93%	5	155,118	1.28%
Lasalle/Bowie County Jail	6	141,634	0.89%			
River Crossing Apartments	7	103,270	0.65%			
ASI	8	68,487	0.43%			
City of Texarkana, TX	9	57,510	0.36%			
Greenfield Environmental	10	41,967	0.26%			
Texarkana Housing Authority				4	238,888	1.98%
Brighton Manor/Woodlands Apts				6	189,120	1.57%
Civigenics Texas Inc.				8	120,047	0.99%
Texarkana College				9	81,193	0.67%
Wadley Hospital				3	153,604	1.27%
Texas A&M University at Texarkana				7	111,931	0.93%
Austin				10	42,893	0.36%
Totals		<u>\$ 1,872,070</u>	11.79%		<u>\$ 1,929,679</u>	15.98%

(1) Ranking is computed based on consumption (number of gallons), not revenue.

**City of Texarkana, Texas**  
**Statistical Section**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**Schedule 15**

<b>Governmental Activities</b>					
<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Certificates of Obligation</b>	<b>Tax Notes</b>	<b>Notes Payable</b>	<b>Capital Leases</b>
2012 (2)	15,808,814	42,125,475	860,000		86,295
2013	27,636,147	27,263,094			46,935
2014 (3)(4)	27,290,448	25,964,808			54,177
2015	25,298,564	24,131,334			96,864
2016	22,741,681	22,987,860			106,088
2017 (5)	29,249,798	22,934,384			64,230
2018 (6)	24,395,000	26,515,000			150,578
2019	18,335,000	24,705,000			114,215
2020 (7)(8)	23,690,000	22,470,000		362,743	93,880
2021	21,185,000	21,360,000		197,176	42,310

(1) See Demographic and Economic Statistics Schedule for personal income and population data.

(2) The City issued \$4,115,000 in Certificates of Obligation in 2012.

(3) The City issued \$14,550,000 in General Obligation Refunding Bonds in 2013.

(4) The City issued \$2,200,000 in Revenue Bonds in 2013.

(5) The City issued \$9,090,000 in General Obligation Refunding Bonds in 2016.

(6) The City issued \$14,160,000 in Certificates of Obligation in 2017.

(7) The City issued \$6,795,000 in General Obligation Refunding Bonds in 2020.

(8) The City issued \$6,780,000 in Certificates of Obligation in 2020.

**City of Texarkana, Texas**  
**Statistical Section**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**Schedule 15 (Continued)**

<b>Business-type Activities</b>				
<b>Water Revenue Bonds</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income(1)</b>	<b>Per Capita(1)</b>
2,689,544	5,229,477	66,799,605	7.87%	1,835
4,489,191	4,985,995	64,421,362	7.47%	1,769
4,132,463	4,734,592	62,176,488	6.91%	1,666
3,727,670	4,516,570	57,771,002	6.33%	1,526
3,325,000	4,132,943	53,293,572	5.80%	1,409
2,890,000	3,731,217	58,869,629	6.10%	1,554
2,645,000	3,307,628	57,013,206	5.93%	1,508
2,395,000	2,866,638	48,415,853	5.12%	1,290
2,135,000	2,511,391	51,263,014	4.76%	1,396
1,865,000	2,305,325	46,954,811	4.45%	1,304

**City of Texarkana, Texas**  
**Statistical Section**  
**Ratios of Net General Bonded Debt to Assessed Value and**  
**Net Bonded Debt Per Capita**  
**Last Ten Fiscal Years**  
**Schedule 16**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Assessed Value</b>	<b>Gross Bonded Debt (2)</b>
2012	36,411	\$ 2,405,325,876	\$ 61,483,833
2013	36,998	2,413,426,028	59,388,432
2014	37,332	2,451,334,382	57,387,719
2015	37,857	2,458,796,042	53,157,568
2016	37,831	2,475,121,041	49,054,541
2017	37,887	2,526,856,766	55,074,182
2018	37,818	2,556,091,204	55,938,352
2019	37,544	2,604,513,311	47,503,621
2020	36,733	2,645,045,446	50,153,714
2021	36,017	2,724,145,599	44,410,000

Notes:

- (1) Estimate of City Planning Department which is from U.S. Census.
- (2) Excluding International Paper Company revenue bonds and including certificates of obligations issued for water and sewer programs.

**City of Texarkana, Texas**  
**Statistical Section**  
**Ratios of Net General Bonded Debt to Assessed Value and**  
**Net Bonded Debt Per Capita**  
**Last Ten Fiscal Years**  
**Schedule 16 (Continued)**

<b>Less Debt Service Funds</b>	<b>Less Debt Payable From Enterprise Funds (2)</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
\$ 318,397	\$ 2,689,544	\$ 58,475,892	2.43	\$ 1,606
-	4,489,191	54,899,241	2.27	1,484
-	4,132,463	53,255,256	2.17	1,427
-	3,727,670	49,429,898	2.01	1,306
76,937	3,325,000	45,652,604	1.84	1,207
22,502	2,890,000	52,161,680	2.06	1,377
206,784	2,645,000	53,086,568	2.08	1,404
391,806	2,383,497	44,728,318	1.72	1,191
366,188	1,844,277	47,943,249	1.81	1,305
349,312	1,865,000	42,195,688	1.55	1,172



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**City of Texarkana, Texas**  
**Statistical Section**  
**Direct and Overlapping Governmental Activities Debt**  
**September 30, 2021**  
**Schedule 17**

Jurisdiction	Outstanding Debt	Percentage of Debt Applicable to City of Texarkana	Amount Applicable to City of Texarkana
Direct:			
City of Texarkana, Texas	\$ 42,784,486	100.00%	<u>\$ 42,784,486</u>
Overlapping:			
Texarkana Independent School District	39,032,461	66.79%	26,069,781
Texarkana College		44.81%	-
Bowie County	19,200,000	49.82%	9,565,440
Liberty-Eylau Independent School District	22,600,000	37.92%	8,569,920
Pleasant Grove School District	43,210,000	79.07%	34,166,147
Red Lick Independent School District	4,170,000	9.85%	<u>410,745</u>
Subtotal - Overlapping debt			<u>78,782,033</u>
Total direct and overlapping			<u><u>\$ 121,566,519</u></u>
Per capita overlapping debt			<u><u>\$ 3,414</u></u>

Source - City and County tax records

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

**City of Texarkana, Texas**  
**Statistical Section**  
**Legal Debt Margin**  
**Last Ten Fiscal Years**  
**Schedule 18**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed value of real property	<u>\$ 2,048,746,535</u>	<u>\$ 2,046,730,722</u>	<u>\$ 2,081,673,471</u>	<u>\$ 2,089,129,528</u>
Debt limit - 25% of assessed value of real property	<u>\$ 512,186,634</u>	<u>\$ 511,682,681</u>	<u>\$ 520,418,368</u>	<u>\$ 522,282,382</u>
Total general obligation bonded debt	15,808,814	27,636,147	27,290,448	25,298,564
Less amount available in Debt Service Fund	<u>(318,397)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total amount of debt applicable to debt limit	<u>15,490,417</u>	<u>27,636,147</u>	<u>27,290,448</u>	<u>25,298,564</u>
Legal debt margin	<u>\$ 496,696,217</u>	<u>\$ 484,046,534</u>	<u>\$ 493,127,920</u>	<u>\$ 496,983,818</u>

Notes:

There is a rate limitation of \$2.50 per \$100 of assessed value imposed by the Texas Constitution and City Charter.

Article 3, Section 53 of the Texas Constitution limits the legal debt to 25% of the assessed valuation of the real property.

**City of Texarkana, Texas**  
**Statistical Section**  
**Legal Debt Margin**  
**Last Ten Fiscal Years**  
**Schedule 18 (Continued)**

2016	2017	2018	2019	2020	2021
<u>\$ 2,089,714,475</u>	<u>\$ 2,117,305,243</u>	<u>\$ 2,150,060,844</u>	<u>\$ 2,200,563,940</u>	<u>\$ 2,240,086,326</u>	<u>\$ 2,318,140,024</u>
<u>\$ 522,428,619</u>	<u>\$ 529,326,311</u>	<u>\$ 537,515,211</u>	<u>\$ 550,140,985</u>	<u>\$ 560,021,582</u>	<u>\$ 579,535,006</u>
22,741,680	29,249,798	24,395,000	18,335,000	23,690,000	21,185,000
<u>(76,937)</u>	<u>(22,502)</u>	<u>(206,784)</u>	<u>(391,806)</u>	<u>(366,188)</u>	<u>(349,312)</u>
<u>22,664,743</u>	<u>29,227,296</u>	<u>24,188,216</u>	<u>17,943,194</u>	<u>23,323,812</u>	<u>20,835,688</u>
<u>\$ 499,763,876</u>	<u>\$ 500,099,014</u>	<u>\$ 513,326,995</u>	<u>\$ 532,197,791</u>	<u>\$ 536,697,770</u>	<u>\$ 558,699,318</u>

**City of Texarkana, Texas**  
**Statistical Section**  
**Pledged Revenue Coverage (1)**  
**Last Ten Fiscal Years**  
**Schedule 19**

<b>Fiscal Year</b>	<b>Gross Revenue(2)</b>	<b>Operating Expenses (3)</b>	<b>Net Revenue Available For Debt Service</b>	<b>Debt Service Requirements (4)</b>	<b>Coverage</b>
2012	\$ 16,204,481	\$ 11,025,853	\$ 5,178,628	\$ 698,252	7.42
2013	16,311,709	11,314,900	4,996,809	1,457,656	3.43
2014	15,847,484	11,418,138	4,429,346	492,840	8.99
2015	15,269,056	11,064,894	4,204,162	559,088	7.52
2016	15,767,506	11,261,328	4,506,178	562,188	8.02
2017	16,864,947	11,262,109	5,602,838	560,647	9.99
2018	17,313,475	11,650,159	5,663,316	566,159	10.00
2019	17,930,971	11,279,978	6,650,993	360,819	18.43
2020	17,174,995	12,434,904	4,740,091	357,663	13.25
2021	19,342,744	14,363,353	4,979,391	353,634	14.08

Notes:

- (1) Exclusive of Lake Texarkana Water Supply Corporation and International Paper Company utility operations and obligations.
- (2) Total revenue includes interest income on investments and payments received from Texarkana, Arkansas Utilities for debt service on revenue bonds issued for construction on direct financing lease facilities.
- (3) Operating expenses exclude depreciation and amortization.
- (4) Principal and interest on revenue bonds only. Amounts do not include payments on obligations under capital leases.

**City of Texarkana, Texas**  
**Statistical Section**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**Schedule 20**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Median Age (1)</b>	<b>Per Capita Income (1)</b>	<b>Unemployment Rate (1)</b>	<b>Personal Income (2)</b>
2012	36,411	36.5	\$ 23,297	5.7	\$ 848,267,067
2013	36,998	36.5	23,297	6.8	861,942,406
2014	37,332	37	24,118	5	900,373,176
2015	37,857	37	24,095	4.8	912,164,415
2016	37,831	37	24,285	4.6	918,725,835
2017	37,887	37.4	25,491	4.1	965,777,517
2018	37,818	37.5	25,425	5.2	961,522,650
2019	37,544	37.8	25,202	4	946,183,888
2020	36,733	37.8	29,292	8.0	1,075,983,036
2021	36,017	38.2	29,292	5.7	1,055,009,964

Notes:

- (1) Information obtained from ESRI reports provided by the Texarkana, Texas Economic Development Manager
- (2) Personal income calculated by multiplying estimated population by per capita income.

**City of Texarkana, Texas**  
**Statistical Section**  
**Principal Employers, Metropolitan Statistical Area (MSA) – Texarkana, Texas and**  
**Texarkana, Arkansas**  
**Current Year and Nine Years Ago**  
**Schedule 21**

Employer	2021			2012		
	Employees	Rank	Percentage of Total MSA Employment (1)	Employees	Rank	Percentage of Total MSA Employment (2)
			<i>60,081</i>			<i>60,200</i>
Red River Army Depot and Tenants	2,225	1	3.70%	6,000	1	9.97%
Christus St. Michael Health Care	1,800	2	3.00%	1,900	3	3.16%
Cooper Tire & Rubber	1,793	3	2.98%	1,860	2	3.09%
Wal-Mart/Sam's	875	4	1.46%	1,100	5	1.83%
Texarkana Texas ISD	846	5	1.41%	795	8	1.32%
Graphic Packaging (International Paper)	829	6	1.38%	925	6	1.54%
Wadley Regional Medical Ctr	652	7	1.09%	850	4	1.41%
Domtar (Georgia Pacific)	548	8	0.91%	1,150	7	1.91%
Texarkana Arkansas School District	370	9	0.62%	785	9	1.30%
City of Texarkana, Texas	365	10	0.61%	-		0.00%
Southern Refrigerated Transport	-		-	750	10	1.25%
Total	<u>10,303</u>		<u>17.16%</u>	<u>16,115</u>		<u>26.78%</u>

Source:  
Chamber of Commerce, Texas Workforce Commission LMI Tracer

Notes:  
(1) MSA employment for 2020 is 58,575.  
(2) MSA employment for 2010 is 57,600.



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**City of Texarkana, Texas**  
**Statistical Section**  
**Full-Time-Equivalents City Government Employees by Function/Program**  
**Last Ten Fiscal Years**  
**Schedule 22**

	2012	2013	2014	2015	2016
<b>General government</b>					
Purchasing- General Services	3	0	0	0	0
Finance / Accounting	6	8	8	8	8
Building Maintenance	3	3	2	0	0
City Manager	1	1	2	9	10
City Secretary	2	2	3	0	0
Research and Vital Statistics	2	2	3	0	0
Human Resources	4	4	4	4	4
City Attorney	0	0	0	0	0
Municipal Court	8	8.5	7.5	9.5	8.5
Quality Assurance	1	1	0	0	0
Marketing	2	1.5	1	0	0
<b>Public safety</b>					
Police Administration	11	9	8	6	2
Uniform Services- Patrol	66	63	62	61	59
Support Services	31.5	32	31	31	39
Criminal Investigation	0	0	0	0	0
CMV Enforcement Unit	2	0	0	0	0
Narcotics	0	0	0	0	0
Fire Administration	2	3	4	81	78
Fire Operations	73	72	70	0	0
Fire Prevention	0	5	6	0	0
Fire Training	0	0	0	0	0
Emergency Management	2	0	0	0	0
<b>Public works</b>					
Public Works Administration	0	0	0	0	0
Engineering	7	4	4	3	2
Engineering & Infrastructure Administration	2	2	2	2	1
Street Maintenance	38	32	30	36	36
Building Inspection	7	7	6	13	12
Sign and Signal	6	6	5	6	6
P&Z/Comm & PW Administration	2	1.5	0	0	0
Code Enforcement	3	3	3	0	0
Stormwater Management	2	2	2	2	2
<b>Health and welfare</b>					
Community Development	3.5	5	5	5.5	5.5
Environmental Services	2	2	2	0	0
Environmental Health Services	1	1	1	0	0
Demolition	0	0	0	0	0
Animal Control	2	2	2	0	0



**City of Texarkana, Texas**  
**Statistical Section**  
**Full-Time-Equivalents City Government Employees by Function/Program**  
**Last Ten Fiscal Years**  
**Schedule 22 (Continued)**

	2012	2013	2014	2015	2016
Economic Development	0	0	0	0	0
Parks and recreation					
Parks Administration	2	2	2	2	2
Parks Maintenance	19	20	21	17	16
Recreational Programs	3.5	3	3	4	5
Senior Citizen Programs	1	1	1	0	0
Community Center / Weed & Seed	1	1	1	0	0
Library	16	12.5	13.5	11	10.5
Teen Court	0	0	0	0	0
Veterans Affairs	1	0.5	0.5	0.5	0
Family Health Center					
Administration	3	4	4	3	3
Community	2	1	1	1	1
Employee Health	0	0	0	0	0
WIC	7	6	7	7	6
Reproductive	8	5	4	5	4
TB	0	0	0	0	0
Public Health Response	0	0	0	0	0
Tobacco	0	0	0	0	0
Diabetes	1	2	1	0	0
Central Records - Dispatch	54	41	38	41	40
MPO	3	1.5	3	3	2
Fleet	6	6	4	6	6
Total	<u>422.5</u>	<u>389.0</u>	<u>377.5</u>	<u>377.5</u>	<u>368.5</u>

**Source:** Various City Departments, employee count for last September payroll

**Notes:** Full-time equivalent of non-civil service employees and civil service police is 2,080 hours per year and 2,904 hours per year for civil service firefighters.

**City of Texarkana, Texas**  
**Statistical Section**  
**Full-Time-Equivalents City Government Employees by Function/Program**  
**Last Ten Fiscal Years**  
**Schedule 22 (Continued)**

2017	2018	2019	2020	2021
0	1	0.5	0	0
2	3	3	3	3
17	19	21	18	19
5	4	4	4	4
0	0	0	0	0
0	0	0	0	0
12.5	12.5	12.5	12.5	11
0	0	0	0	0
0	0	0	0	0
3	3	3	2	2
1	1	1	1	1
0	0	0	2	1
7.5	6.5	6	6.5	7.5
5	4	4	4	3
0	0	0	0	0
0	0	0	1	1
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
39	36	35	36	32
2	2	2	2	2
6	5	6	6	4
<u>378.5</u>	<u>379.5</u>	<u>373.5</u>	<u>361.0</u>	<u>354.5</u>

**City of Texarkana, Texas**  
**Statistical Section**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**  
**Schedule 23**

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government				
Birth certificate requests	5,832	5,758	6,056	6,257
Public safety				
Police				
Commissioned officers	99	96	95	90
Calls for service	42,625	38,712	41,556	38,622
Total citations issued	12,993	10,558	12,507	11,012
Custody arrests	4,125	3,243	2,383	3,488
Fire				
Firefighters	78	77	78	78
Responses- Fire	258	259	220	264
Responses- EMS/Rescue	1,770	1,753	1,871	1,761
Responses- Other	1,088	1,109	1,022	1,005
Inspections	3,910	3,950	3,950	4,032
Public works				
Street resurfacing (miles)	(1)	(1)	(1)	(1)
Building permits issued	559	577	443	481
Building permits (\$)	43,348,566	40,844,204	37,317,875	58,075,585
Water				
Average daily consumption (millions of gallons)	11.201	12.368	11.467	10.677
Raw water production (millions of gallons)	11.74	12.997	12.062	11.545
Wastewater				
Average daily sewage treatment (millions of gallons)				
South Regional Plant	7.514	6.642	8.062	8.890
Wagner Creek Plant	1.116	1.3	1.7	1.7
Airlines				
Scheduled airline arrivals and departures per day	4	6	6	6
Passengers enplaning and deplaning per year	60,000.000	66,338	68,674	71,500

Source: Various City Departments

Notes:

(1) No information available

**City of Texarkana, Texas**  
**Statistical Section**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**  
**Schedule 23 (Continued)**

2016	2017	2018	2019	2020	2021
6,718	7,137	6,836	7,426	3,509	4,703
91	91	91	91	85	88
39,562	38,878	37,387	40,716	33,458	38,377
9,244	9,594	8,234	7,627	2,741	3,490
3,429	4,059	3,885	4,477	2,418	3,040
78	78	78	78	78	78
250	246	287	230	189	230
1,748	1,770	2,175	2,267	2,317	2,689
1,096	1,010	1,031	1,084	1,091	1,304
4,028	3,445	3,336	3,377	1,127	1,360
2	1	14	4	3	(1)
544	580	625	698	100	90
38,254,996	57,433,786	60,555,822	70,155,822	10,180,000	9,162,000
8.815	10.395	11.742	11.034	11.516	11.217
9.888	11.134	12.463	12.152	9.075	12.396
10.130	8.009	7.616	9.967	9.333	9.576
1.730	1.422	1.513	1.880	1.741	1.708
6	6	8	7	4	6
67,642	70,031	76,524	76,364	36,430	56,500

**City of Texarkana, Texas**  
**Statistical Section**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**  
**Schedule 24**

<b><u>Function/Program</u></b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Government				
Buildings	4	4	4	4
Public safety				
Police Stations	1	1	1	1
Number of vehicles	80	65	72	80
Fire Stations	5	5	5	5
Fire Apparatus	10	9	7	9
Other motorized vehicles	16	8	8	8
Public works				
Buildings	2	4	4	4
Streets (miles)	257	259	260	261
Paved alleys	8	8	8	8
Unpaved alleys	15	15	15	15
Storm sewers	30	31	31	32
Streetlights	3,150	3,200	3,200	3,200
Parks and recreation				
Parks	12	12	12	12
Park acreage developed	587	587	587	587
Park acreage partially developed	1,330	1,330	1,330	1,330
Playgrounds	27	26	24	26
Swimming pools	0	0	0	0
Tennis courts	4	4	4	4
Baseball diamonds	8	8	8	8
Softball diamonds	10	10	10	10
Recreation centers	2	2	1	1
Senior citizens centers	1	1	1	1
Cemetery acreage	19	19	19	19
Landscaped island/ historical markers	8	8	8	8
Landscaped medians	10	10	10	10
Soccer fields	13	12	10	12
Restroom facilities	17	17	18	18
Boat ramp	2	2	2	2
Splash pad	1	1	1	1
Perot Theatre	1	1	1	1

**City of Texarkana, Texas**  
**Statistical Section**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**  
**Schedule 24 (Continued)**

2016	2017	2018	2019	2020	2021
4	4	4	4	4	4
1	1	1	1	1	1
72	74	74	69	70	72
5	5	5	5	5	5
9	9	9	9	9	9
9	8	11	9	9	9
4	4	4	4	4	4
262	262	262	262	2,662	262
8	8	8	8	8	8
15	15	15	15	15	15
33	33	33	33	33	33
3,250	3,250	3,250	3,250	3,250	3,250
12	12	12	12	12	12
587	587	587	587	587	587
1,330	1,330	1,330	1,330	1,330	1,330
25	25	25	27	28	28
0	0	0	0	0	0
4	4	4	4	4	4
8	8	8	8	8	8
10	10	10	10	10	10
1	1	1	1	1	1
1	1	1	1	1	1
19	19	19	19	19	19
8	8	8	8	8	8
9	9	9	9	9	9
13	13	13	13	13	13
18	18	18	18	18	18
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1

**City of Texarkana, Texas**  
**Statistical Section**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**  
**Schedule 24 (Continued)**

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Health and Welfare					
Buildings	1	1	1	1	1
Water					
Water mains (miles)	504	479	483	486	473
Water connections	13,119	13,133	13,170	13,224	13,285
Fire hydrants	2,172	2,115	2,139	2,169	2,183
Plant capacity (million gallons per day)	18	18	18	18	18
Wastewater					
Sanitary sewer mains (miles)	343	340	337	342	336
Sewer connections	12,518	12,584	12,622	12,677	12,719
Sewer plant capacity ( millions gallons per day)	20	20	20	20	20
Airports					
Number of airports	1	1	1	1	1
Acres	1,200	1,200	1,200	1,200	1,200
Length of main runways	6,601	6,601	6,601	6,601	6,601

Source: Various City of Texarkana, Texas departments

Notes:

(1) No information available

**City of Texarkana, Texas**  
**Statistical Section**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**  
**Schedule 24 (Continued)**

2017	2018	2019	2020	2021
1	1	1	1	1
498	477	476	465	465
1,377	13,418	13,483	12,946	12,222
2,188	2,136	2,144	2,088	2,088
18	18	18	18	18
357	347	344	349	349
12,774	12,826	12,855	10,626	11,610
20	20	20	20	20
1	1	1	1	1
1,200	1,200	1,200	1,200	1,235
6,601	6,601	6,601	6,601	6,601