



City of Texarkana, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended
September 30, 2022

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



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City of Texarkana, Texas
Annual Comprehensive Financial Report
Year Ended September 30, 2022

Table of Contents

	<u>Page</u>
Introductory Section	
Letter of Transmittal.....	1
Organization Chart	7
List of Principal Officials	8
Financial Section	
Independent Auditor’s Report	9
Management’s Discussion and Analysis	12
<u>Basic Financial Statements</u>	
Government-wide Financial Statements:	
Statement of Net Position.....	21
Statement of Activities	23
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	24
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Position.....	25
Statement of Revenues, Expenditures and Changes in	
Fund Balance – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balance of Governmental Funds to the Statement of Activities	27
Statement of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual – General Fund	28
Statement of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – ARPA Fund	29
Statement of Net Position – Enterprise Funds.....	30
Statement of Revenues, Expenses and Changes in	
Net Position – Enterprise Funds.....	32
Statement of Cash Flows – Enterprise Funds.....	34
Statement of Fiduciary Net Position – Fiduciary Funds.....	36
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	37
Notes to Basic Financial Statements.....	38
<u>Required Supplementary Information:</u>	
Schedule of Changes in Net Pension Liability and Related Ratios:	
Texas Municipal Retirement System Plan #1 – Police Officers	94

City of Texarkana, Texas
Annual Comprehensive Financial Report
Year Ended September 30, 2022

Table of Contents

	<u>Page</u>
Texas Municipal Retirement System # 2 – Other City Employees	95
Texas Municipal Retirement System # 3 – Water Utilities	96
Schedule of Contributions:	
Texas Municipal Retirement System # 1 – Police Officers	97
Texas Municipal Retirement System # 2 – Other City Employees	98
Texas Municipal Retirement System # 3 – Water Utilities	99
Schedule of Changes in the City’s Net Pension Liability and Related Ratios:	
Texarkana Firemen’s Relief and Retirement.....	100
Schedule of City Contributions:	
Texarkana Firefighter’s Relief and Retirement.....	101
Schedule of Changes in the Total OPEB Liability and Related Ratios:	
City Retiree Medical Plan	102
Texas Water Utilities Retiree Medical Plan	103
Combining and Individual Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	108
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balance – Nonmajor Governmental Funds	113
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Housing and Community Development Fund.....	118
HOME Fund	119
Theatre Fund	120
Hotel/Motel Tax Fund	121
Housing Fund	122
Economic Development Fund	123
Law Enforcement Block Grant Fund	124
Law Enforcement Programs Fund.....	125
Donations Fund	126
DEAGG Fund.....	127
TIRZ #1 Fund.....	128
Public Safety Radio Fund.....	129
TIFMAS Grant Fund	130
CDBG Revolving Loans Fund	131
Department of Justice COVID-19 Grant Fund.....	132
COC Homeless Assistance Grant Fund.....	133
CDBG 108 Loan Fund	134
EPA Revolving Loan Grant Fund	135
NRDA Grant Fund	136
Farmers Market Fund	137
Trail Grant Fund.....	138
Narcotics Division Operations Fund	139
Court Security Fund	140

City of Texarkana, Texas
Annual Comprehensive Financial Report
Year Ended September 30, 2022

Table of Contents

	<u>Page</u>
Conservation Revolving Loan Fund.....	141
Court Technology Fund.....	142
Federal Asset Forfeiture Fund.....	143
Combining Statement of Net Position - Nonmajor Enterprise Funds	145
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Enterprise Funds	146
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	147
Combining Statement of Net Position - Internal Service Funds.....	150
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	151
Combining Statement of Cash Flows – Internal Service Funds.....	152
Combining Statement of Fiduciary Net Position – Fiduciary Funds – Custodial Funds.....	154
Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds – Custodial Funds	155
Component Units – Health Center	
Balance Sheet	156
Reconciliation of the Balance Sheet of Discretely Presented Component Unit to the Statement of Net Position.....	157
Statement of Revenues Expenditures and Changes in Fund Balance.....	158
Reconciliation of the Statement of Revenues Expenditures and Changes in Fund Balances of the Discretely Presented Component Unit to the Statement of Activities	159

Statistical Section

	<u>Schedule</u>	
Net Position by Component.....	1	161
Changes in Net Position	2	163
Program Revenues by Function/Program.....	3	167
Fund Balance, Governmental Funds	4	169
Changes in Fund Balance, Governmental Funds.....	5	171
Tax Revenue by Source, Governmental Funds	6	173
Assessed and Estimated Actual Value of Taxable Property.....	7	174
Direct and Overlapping Property Tax Rates.....	8	176
Principal Property Taxpayers	9	178
Property Tax Levies and Collections.....	10	180
Direct and Overlapping Sales Tax Rates.....	11	181
Water Sold by Type of Customer	12	182
Water and Sewer Rates.....	13	184
Principal Water and Sewer Revenue Payers.....	14	185
Ratios of Outstanding Debt by Type	15	186
Ratios of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	16	188
Direct and Overlapping Governmental Activities Debt	17	190

City of Texarkana, Texas
Annual Comprehensive Financial Report
Year Ended September 30, 2022

Table of Contents

	<u>Page</u>
Legal Debt Margin	18..... 191
Pledged Revenue Coverage	19..... 193
Demographic and Economic Statistics	20..... 194
Principal Employers, MSA-Texarkana, Texas and Texarkana, Arkansas.....	21..... 195
Full-time-Equivalent City Government Employees by Function/Program	22..... 196
Operating Indicators by Function/Program	23..... 200
Capital Assets Statistics by Function/Program.....	24..... 202



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, 2022, 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, 2022. 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, 2021, 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.

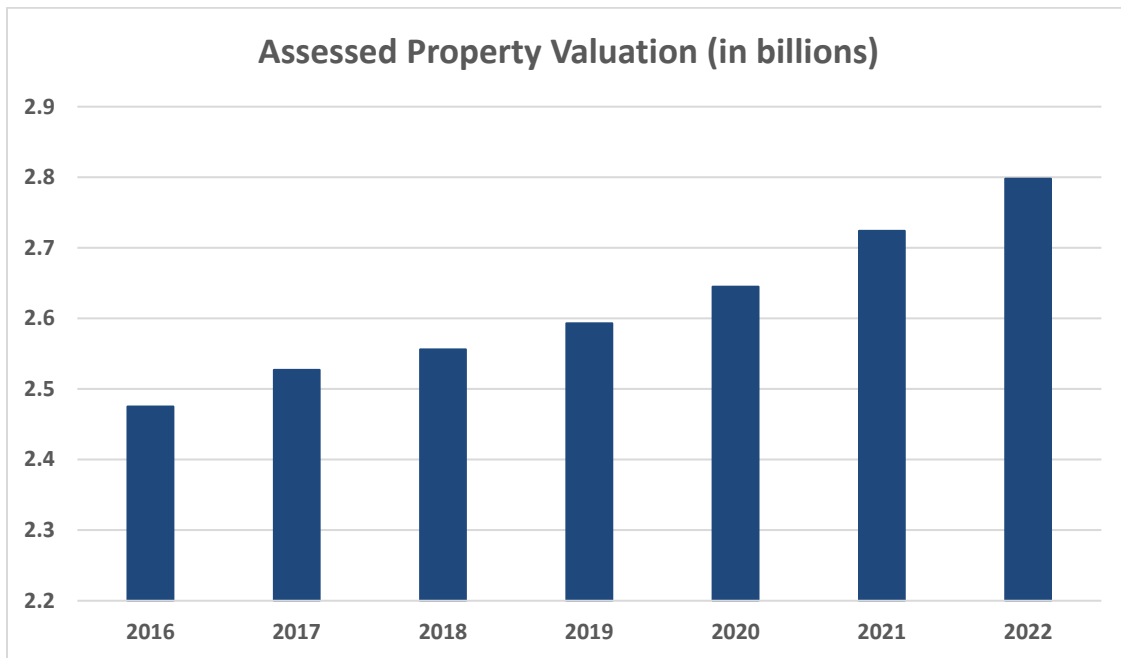
The City's primary and secondary education needs are served by three (3) public school districts, and four (4) other public-school districts that border the City, as well as several area private schools. Five (5) institutions of higher education provide services to the City. Texarkana College has more 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.

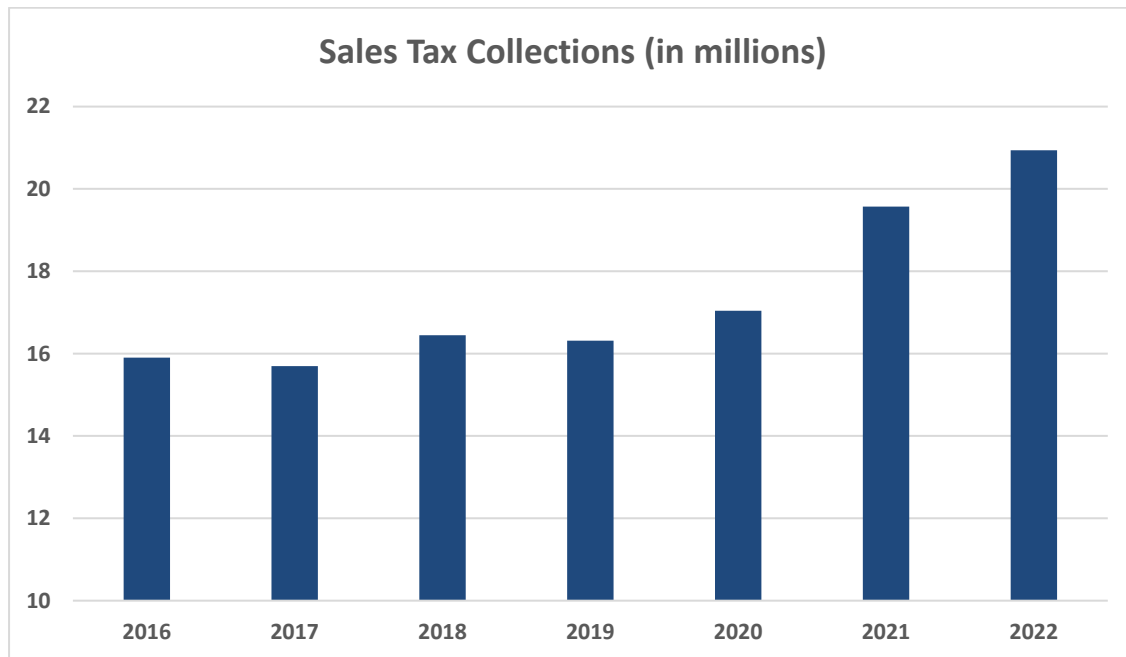
The City has a number of worthwhile attractions, including the only U.S. Post Office located in two states, which provides a unique photo opportunity at Photographer’s Island, the Scott Joplin Mural, the historic Perot Theatre, the Regional Arts Center, Discovery Place Children’s Museum and Texarkana 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. In fiscal year 2022, the City issued 152 permits for residential new construction, 216 permits for new non-residential or commercial construction, 239 permits for building remodels, and 1,159 permits for certificates of occupancy.

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 decreased by \$729,498 (4.0%) due to a reduction in the City’s property tax rate of \$0.05 per \$100 of assessed valuation. Current property tax revenue allocated to the general fund decreased by \$560,911 (4.2%). Current property tax revenue allocated to the debt service fund decreased by \$202,926 (5.7%) while current property tax revenue allocated to the TIRZ #1 fund increased by \$34,339 (5.5%). Sales tax revenue increased by \$1,364,197 (6.97%).

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





Unemployment in the City decreased to 4.7%, which was greater than the state rate of 4.0% and national rate of 3.5%

Unassigned fund balance in the general fund at September 30, 2022, is \$20,978,636 which represents 79% or 195 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.
- Allocating dollars in the following funds based on a long-term replacement schedule with the goal of establishing a plan to address needs as they arise, rather than incurring additional costs by delaying projects until future dates:
 - Fleet Capital Replacement Fund for city vehicles and major equipment
 - Technology Fund for computer equipment and software
 - Major Street Maintenance Fund for city-wide street maintenance needs
 - Public Safety Equipment Fund for police and fire equipment
 - Building Maintenance Fund for city-wide building maintenance needs

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 (81%) 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, 2022, which marks the seventh 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,



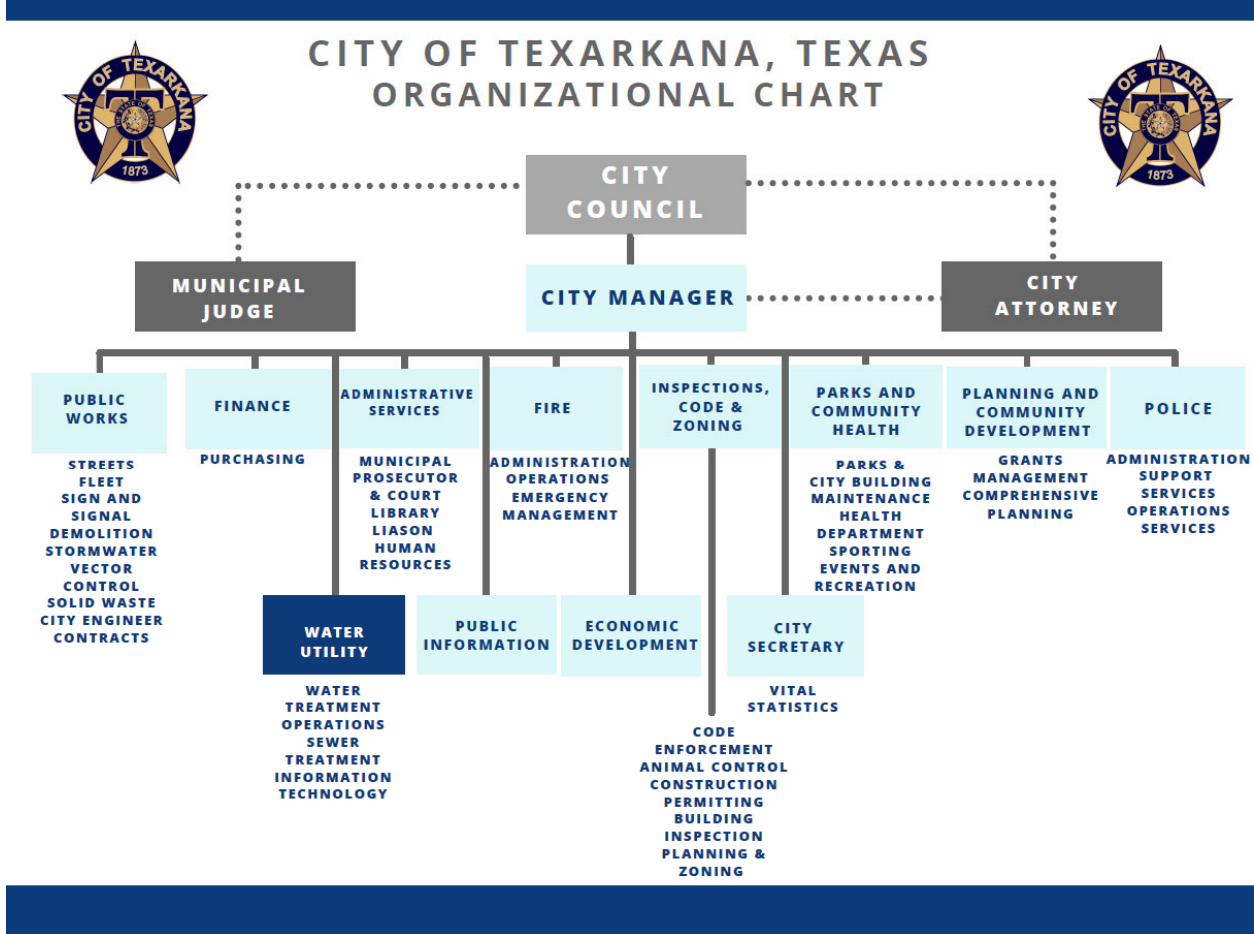
Kristin Peebles, CPA
Chief Financial Officer

July 13, 2023

City of Texarkana, Texas

Organization Chart

Year Ended September 30, 2022



City of Texarkana, Texas
List of Principal Officials
Year Ended September 30, 2022

CITY COUNCIL

BOB BRUGGEMAN
Mayor

JEAN H. MATLOCK
Councilmember, Ward 1

MARY HART
Councilmember, Ward 2

BETTY WILLIAMS
Councilmember, Ward 3

CHRISTIE PAGE
Councilmember, Ward 4

LIBBY WHITE
Councilmember, Ward 5

JAY DAVIS
Councilmember, Ward 6

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 Audit of the Financial Statements

Opinions

We have audited the 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 (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and American Rescue Plan Grant Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 65.6 percent, 72.6 percent and 28.6 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 10 percent of the assets and 17 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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

FORVIS,LLP

Rogers, Arkansas
July 13, 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, 2022. 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 \$205,865,402 (net position). Of this amount, \$150,832,891 (73%) 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 \$11,279,890 (5%). The remaining \$43,752,621 (21%) 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 \$18,688,503 during this fiscal year. The change in net position from operations of governmental activities increased by \$16,698,476 while the change in net position from operations of business-type activities increased by \$1,990,027.
- Unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors, increased by \$18,181,658.
- At the close of the current fiscal year, the City's governmental funds reported ending fund balances of \$52,015,447, an increase of \$8,347,057 from last year. \$20,978,622 of this amount or 40% of the total fund balance is available for spending at the City's discretion (unassigned fund balance).
- Within the combined governmental fund balances, \$2,081,499 is non-spendable. Another \$10,012,163 is restricted, \$2,115,732 is committed, and \$16,827,431 is assigned. Total unassigned fund balance for the general fund is \$20,978,636 and is equal to 79% 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-five (35) 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, and American Rescue Plan Grant Fund, all of which are considered to be major funds. Data from the other thirty-two (32) 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 24-27 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 30-35 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 36-37 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 38-93 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 94-107 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 108-155 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 \$205,865,402 as of September 30, 2022. The largest portion of the City's net position (\$150,832,891 or 73%), 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 80,521,767	\$ 70,124,639	\$ 26,185,803	\$ 23,078,343	\$ 106,707,570	\$ 93,202,982
Capital assets	129,982,083	131,162,833	60,228,912	61,396,528	190,210,995	192,559,361
Total assets	<u>210,503,850</u>	<u>201,287,472</u>	<u>86,414,715</u>	<u>84,474,871</u>	<u>296,918,565</u>	<u>285,762,343</u>
Deferred outflows of resources	6,685,753	6,681,946	1,046,327	717,755	7,732,080	7,399,701
Long-term liabilities	66,119,578	79,587,226	6,234,025	8,281,251	72,353,603	87,868,477
Other liabilities	2,765,121	4,343,845	5,302,986	3,743,205	8,068,107	8,087,050
Total liabilities	<u>68,884,699</u>	<u>83,931,071</u>	<u>11,537,011</u>	<u>12,024,456</u>	<u>80,421,710</u>	<u>95,955,527</u>
Deferred inflows of resources	15,899,589	8,331,508	2,463,944	1,698,110	18,363,533	10,029,618
Net position						
Net invested in capital assets	93,235,726	91,545,250	57,597,165	58,067,071	150,832,891	149,612,321
Restricted	11,279,890	11,993,615	-	-	11,279,890	11,993,615
Unrestricted	27,889,699	12,167,974	15,862,922	13,402,989	43,752,621	25,570,963
Total net position	<u>\$ 132,405,315</u>	<u>\$ 115,706,839</u>	<u>\$ 73,460,087</u>	<u>\$ 71,470,060</u>	<u>\$ 205,865,402</u>	<u>\$ 187,176,899</u>

An additional portion of the City's net position of \$11,279,890 (5%) 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 \$43,752,621 (21%) 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 \$16,698,476. Total revenue for the governmental activities (excluding transfers) increased from the previous year by \$148,189. General revenues had a net increase of \$2,672,245.

Business Type Activities:

Net position from business-type activities increased by \$1,990,027. Total revenue for the business-type activities increased from the previous year by \$2,791,824 primarily due to an increase in demand for water.

CITY OF TEXARKANA, TEXAS' CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	\$ 2,330,890	\$ 2,830,375	\$ 23,904,692	\$ 17,406,402	\$ 26,235,582	\$ 20,236,777
Operating grants and contributions	5,301,955	7,326,527	-	-	5,301,955	7,326,527
Capital grants and contributions	-	-	65,571	388,847	65,571	388,847
General revenues						
Property taxes	18,498,814	17,851,383	-	-	18,498,814	17,851,383
Other taxes	24,594,099	23,127,339	-	-	24,594,099	23,127,339
Other revenue	6,769,936	6,211,882	204,886	3,588,076	6,974,823	9,799,958
Total revenue	<u>57,495,695</u>	<u>57,347,506</u>	<u>24,175,149</u>	<u>21,383,325</u>	<u>81,670,844</u>	<u>78,730,831</u>
Expenses:						
General government	7,150,090	7,325,779	-	-	7,150,090	7,325,779
Public safety	10,831,701	12,524,376	-	-	10,831,701	12,524,376
Public works	9,740,938	10,106,568	-	-	9,740,938	10,106,568
Parks and recreation	4,004,866	3,714,985	-	-	4,004,866	3,714,985
Health and welfare	7,767,601	5,715,591	-	-	7,767,601	5,715,591
Interest on long-term debt	1,138,745	1,248,583	-	-	1,138,745	1,248,583
Water and sewer	-	-	22,348,399	19,647,503	22,348,399	19,647,503
Total expenses	<u>40,633,941</u>	<u>40,635,882</u>	<u>22,348,399</u>	<u>19,647,503</u>	<u>62,982,340</u>	<u>60,283,385</u>
Change in net position						
before transfers	16,861,753	16,711,624	1,826,750	1,735,821	18,688,503	18,447,445
Transfers	<u>(163,277)</u>	<u>(227,508)</u>	<u>163,277</u>	<u>227,508</u>	<u>-</u>	<u>-</u>
Change in net position	<u>16,698,476</u>	<u>16,484,116</u>	<u>1,990,027</u>	<u>1,963,329</u>	<u>18,688,503</u>	<u>18,447,445</u>
Beginning 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>
Ending net position	<u>\$ 132,405,315</u>	<u>\$ 115,706,839</u>	<u>\$ 73,460,087</u>	<u>\$ 71,470,060</u>	<u>\$ 205,865,402</u>	<u>\$ 187,176,899</u>

Total Statement of Activities

The total result of the City's activity is an increase in total net position of \$18,688,503 during the current fiscal year. Net position, before transfers, related to business-type activities increased by \$1,826,750, and net position before transfers from governmental activities increased by \$16,861,753. Additional related information may be found in the governmental activities section on pages 21-23 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 \$52,015,447 an increase of \$8,347,057, 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 \$20,978,636 while the total fund balance was \$37,038,528. 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 79% of the total General Fund expenditures, while total fund balance represents 140% 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 \$84,604. 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 \$5,012,946 in debt payments during this fiscal year, an increase of \$34,634 in normal debt service expenditures from last year.

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 no fund balance at the end of the year due to the grant being fully expended at year end.

The other governmental funds of the City include special revenue funds and capital project funds. At the end of the 2022 fiscal year, the City had combined ending fund balances in its special revenue funds of \$11,118,105, an increase in fund balance of \$74,020 due to total revenue for special revenue funds of \$5,796,208 offset by expenditures of \$4,866,303 and net other financial uses of (\$855,885).

At the end of fiscal year 2022 the City had a total of three (3) capital project funds included in other governmental funds, with total fund balances of \$3,774,210, a decrease of \$1,094,226 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 2022 was \$15,862,922, which was an increase of \$2,459,933 from 2021. The decrease in investments in capital assets for the year of \$1,167,616 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 \$1,574,218, an increase from last year of \$386,373. 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 increased by \$331,414, due to premiums received and investment earnings in excess of claims paid. The Fleet Services Fund accounts for repair and maintenance on all City vehicles, excluding TWU. Net position in the fund increased by \$54,959, due to revenue and transfers in of \$1,512,536 in excess of expenditures and transfers out of \$1,458,323.

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 \$2,992,867 for the calendar year of 2021 due primarily to market performance and net position totaled \$43,910,070. 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 \$77,842.

General Fund Budgetary Highlights

The change in projected ending fund balance between the original budget and final amended budget totaled a \$5,856,136 increase. Revised revenues for the General Fund were projected to increase by \$2,284,379. Revised expenditures for the General Fund were projected to decrease by \$4,060,535 and other financing uses were projected to increase by \$488,778.

The difference between the final amended budgeted fund balance and the actual fund balance was an increase of \$5,155,961. Total revenue in the General Fund was \$854,931 more than the revised budget. Expenditures for the General Fund were \$7,022,500 less than the revised budget and other financing uses were \$2,721,470 more 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, 2022, amounts to \$190,210,995 (net of accumulated depreciation), compared to \$192,559,361 in 2021, a decrease of \$2,348,366. Investment in capital assets related to governmental activities of \$129,982,083 decreased by \$1,180,750, 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 \$60,228,912, a decrease of \$1,167,616, 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	
	2022	2021	2022	2021	2022	2021
Land	\$ 12,206,878	\$ 12,206,878	\$ 1,445,666	\$ 1,445,666	\$ 13,652,544	\$ 13,652,544
Buildings	12,424,335	13,118,514	669,934	735,793	13,094,269	13,854,307
Improvements other than buildings	3,357,945	3,104,370	45,078,038	47,203,291	48,435,983	50,307,661
Machinery and equipment	5,284,886	4,878,463	2,446,377	1,927,604	7,731,263	6,806,067
Licensed vehicles	4,711,273	4,581,168	-	-	4,711,273	4,581,168
Infrastructure	84,631,057	86,375,579	-	-	84,631,057	86,375,579
Construction in progress	7,365,709	6,897,861	4,511,993	3,694,821	11,877,702	10,592,682
Intersystem shared assets	-	-	6,076,904	6,389,353	6,076,904	6,389,353
Total capital assets	<u>\$ 129,982,083</u>	<u>\$ 131,162,833</u>	<u>\$ 60,228,912</u>	<u>\$ 61,396,528</u>	<u>\$ 190,210,995</u>	<u>\$ 192,559,361</u>

Additional information on the City's capital assets can be found in *Note 5* in this report on pages 56-58.

Long-term obligations

At the end of the current fiscal year the City of Texarkana, Texas had total long-term obligations outstanding of \$72,353,603. Of this amount, \$68,813,204 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 2022, this amount was \$3,540,399.

OUTSTANDING LONG-TERM OBLIGATIONS AT YEAR END

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 19,647,637	\$ 22,405,206	-	-	\$ 19,647,637	\$ 22,405,206
Revenue bonds	-	-	1,568,008	1,846,142	1,568,008	1,846,142
Certificates of obligation	20,892,257	22,083,698	-	-	20,892,257	22,083,698
Loans payable	40,709	239,485	1,931,682	2,305,325	1,972,391	2,544,810
Notes payable	-	227,000	-	-	-	227,000
Accrued compensated absences	5,511,468	5,092,395	448,803	421,000	5,960,271	5,513,395
Net pension and other post employment liabilities	20,027,507	29,539,442	2,285,532	3,708,784	22,313,039	33,248,226
Total	<u>\$ 66,119,578</u>	<u>\$ 79,587,226</u>	<u>\$ 6,234,025</u>	<u>\$ 8,281,251</u>	<u>\$ 72,353,603</u>	<u>\$ 87,868,477</u>

The City's total debt decreased by \$15,514,874 (18%) during the current fiscal year. This decrease is due to a decrease in certificates of obligation and 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 \$.65000 per \$100 assessed valuation of which \$.125605 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 63-69 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 4.7, compared to 5.7 last year. This rate is slightly higher than the State and National rate of 4.0 and 3.5, respectively.

Sales tax collections are projected to comprise about forty seven percent (52%) of the City's proposed General Fund budget for the 2023 fiscal year, while property tax revenue is estimated to account for approximately thirty three percent (33%). The certified tax roll of \$3,129,878,712 increased just under twelve percent (12%) from the prior year's official tax roll.

The City Council has elected to maintain a property tax rate to 0.65 per \$100 valuation for the 2023 fiscal year. The proposed budget for the 2023 fiscal year will raise more revenue from property taxes than last year's budget by an amount of \$1,889,829 which is a 10.68% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$71,809.

The ending unassigned General Fund balance is projected to be approximately 165 days of budgeted reoccurring General Fund expenditures.

The Texas Revenue Fund of TWU is projected to end the 2022-2023 budget year with a balance of \$4,702,288 or approximately 63 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, 220 Texas Boulevard, Texarkana, Texas 75501.



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Basic Financial Statements

City of Texarkana, Texas
Statement of Net Position
September 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Health
ASSETS				
Cash	\$ 45,518,985	\$ 17,743,995	\$ 63,262,980	\$ 944,422
Investments				
Certificates of deposit	1,000	1,869,936	1,870,936	-
Receivables (net of allowance for uncollectibles)				
Property taxes	939,307	-	939,307	-
Other taxes	453,888	-	453,888	-
Accounts	669,603	1,791,002	2,460,605	-
Other government agencies	6,511,090	1,457,293	7,968,383	276,231
Accrued interest	234,393	7,123	241,516	-
Loans	3,510,499	-	3,510,499	-
Internal balances	1,191	(1,191)	-	-
Inventory	20,109	583,261	603,370	-
Prepaid items	-	80,903	80,903	-
Other assets	-	15,809	15,809	-
Restricted assets				
Cash	-	167,930	167,930	-
Investments	-	700,000	700,000	-
Accrued interest	-	6,926	6,926	-
Accounts receivable	-	508,326	508,326	-
Prepaid capital improvement deposits	-	1,029,207	1,029,207	-
Other assets	-	225,283	225,283	-
Investments in joint venture	22,661,702	-	22,661,702	-
Capital assets (net of accumulated depreciation)				
Land	12,206,878	1,445,666	13,652,544	-
Buildings	12,424,335	669,934	13,094,269	270,733
Improvements other than buildings	3,357,945	45,078,038	48,435,983	-
Infrastructure	84,631,057	-	84,631,057	-
Machinery and equipment	5,284,886	2,446,377	7,731,263	95,005
Licensed vehicles	4,711,273	-	4,711,273	-
Intersystem shared assets	-	6,076,904	6,076,904	-
Construction in progress	7,365,709	4,511,993	11,877,702	-
TOTAL ASSETS	210,503,850	86,414,715	296,918,565	1,586,391
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	4,069,045	1,046,327	5,115,372	-
Deferred outflows from other post employment benefits	2,130,923	-	2,130,923	-
Deferred charge on refunding	485,785	-	485,785	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 6,685,753	\$ 1,046,327	\$ 7,732,080	\$ -

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Health
LIABILITIES				
Accounts payable	\$ 777,042	\$ 585,278	\$ 1,362,320	\$ 35,586
Contracts payable	326,813	-	326,813	-
Accrued liabilities	398,956	327,596	726,552	10,286
Due to other governments	213,641	-	213,641	-
Due to component unit	-	-	-	-
Unearned revenue	1,048,669	-	1,048,669	-
Accrued interest payable from restricted assets	-	11,369	11,369	-
Customer deposits	-	763,271	763,271	-
Capital improvement deposits	-	1,519,626	1,519,626	-
Other liabilities and escrow deposits	-	2,095,846	2,095,846	-
Long-term liabilities				
Due within one year				
Bonds payable	2,530,000	290,000	2,820,000	-
Certificates of obligation	1,190,000	-	1,190,000	-
Loans payable	40,709	382,257	422,966	-
Accrued compensated absences	388,678	64,084	452,762	-
Due in more than one year:				
Net pension liabilities	5,848,853	1,481,849	7,330,702	-
Total other postemployment liabilities	14,178,654	803,683	14,982,337	-
Bonds payable	17,117,637	1,278,008	18,395,645	-
Certificates of obligation	19,702,257	-	19,702,257	-
Loans payable	-	1,549,425	1,549,425	-
Accrued compensated absences	5,122,790	384,719	5,507,509	-
TOTAL LIABILITIES	68,884,699	11,537,011	80,421,710	45,872
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pension	11,514,402	1,834,791	13,349,193	-
Deferred inflows from other post employment benefits	4,304,412	629,153	4,933,565	-
Gain on refunding	80,775	-	80,775	-
TOTAL DEFERRED INFLOWS OF RESOURCES	15,899,589	2,463,944	18,363,533	-
NET POSITION				
Net invested in capital assets	93,235,726	57,597,165	150,832,891	365,738
Restricted for:				
Court security and technology	472,580	-	472,580	-
Law enforcement	425,034	-	425,034	-
Health and welfare	2,456,187	-	2,456,187	1,174,781
Public safety radio	223,563	-	223,563	-
Tourism	1,364,225	-	1,364,225	-
Capital improvements	3,774,210	-	3,774,210	-
Debt service	256,277	-	256,277	-
Tax Increment Reinvestment Zone	2,307,814	-	2,307,814	-
Unrestricted	27,889,699	15,862,922	43,752,621	-
TOTAL NET POSITION	\$ 132,405,315	\$ 73,460,087	\$ 205,865,402	\$ 1,540,519



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City of Texarkana, Texas
Statement of Activities
Year Ended September 30, 2022

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
Primary Government								
Governmental activities								
General government	\$ 7,150,090	\$ 525,078	\$ 1,644,441	\$ -	\$ (4,980,571)	\$ -	\$ (4,980,571)	\$ -
Public safety	10,831,701	1,213,799	1,730,771	-	(7,887,131)	-	(7,887,131)	-
Public works	9,740,938	249,507	965,851	-	(8,525,579)	-	(8,525,579)	-
Parks and recreation	4,004,866	160,136	89,319	-	(3,755,411)	-	(3,755,411)	-
Health and welfare	7,767,601	182,370	871,572	-	(6,713,659)	-	(6,713,659)	-
Interest on long-term debt	1,138,745	-	-	-	(1,138,745)	-	(1,138,745)	-
Total governmental activities	<u>40,633,941</u>	<u>2,330,890</u>	<u>5,301,955</u>	<u>-</u>	<u>(33,001,096)</u>	<u>-</u>	<u>(33,001,096)</u>	<u>-</u>
Business-type activities								
Texarkana Water Utilities and other enterprise funds	22,348,399	23,904,692	-	65,571	-	1,621,864	1,621,864	-
Total business-type activities	<u>22,348,399</u>	<u>23,904,692</u>	<u>-</u>	<u>65,571</u>	<u>-</u>	<u>1,621,864</u>	<u>1,621,864</u>	<u>-</u>
Total primary government	<u>62,982,340</u>	<u>26,235,582</u>	<u>5,301,955</u>	<u>65,571</u>	<u>(33,001,096)</u>	<u>1,621,864</u>	<u>(31,379,232)</u>	<u>-</u>
Component Unit								
Component unit – Health	995,128	233,106	897,194	-	-	-	-	135,172
Total component unit	<u>\$ 995,128</u>	<u>\$ 233,106</u>	<u>\$ 897,194</u>	<u>\$ -</u>				<u>135,172</u>
			General Revenues					
			Property taxes		18,498,814	-	18,498,814	-
			Sales taxes		20,834,260	-	20,834,260	-
			Franchise taxes		1,694,525	-	1,694,525	-
			Other taxes		2,065,314	-	2,065,314	-
			Unrestricted investment earnings		768,185	204,886	973,071	17,586
			Miscellaneous		1,299,743	-	1,299,743	-
			Grants not restricted to specific programs		4,702,009	-	4,702,009	-
			Transfers		(163,277)	163,277	-	-
					<u>49,699,572</u>	<u>368,163</u>	<u>50,067,736</u>	<u>17,586</u>
					<u>16,698,476</u>	<u>1,990,027</u>	<u>18,688,503</u>	<u>152,758</u>
					<u>115,706,839</u>	<u>71,470,060</u>	<u>187,176,899</u>	<u>1,387,761</u>
					<u>\$ 132,405,315</u>	<u>\$ 73,460,087</u>	<u>\$ 205,865,402</u>	<u>\$ 1,540,519</u>

City of Texarkana, Texas
Balance Sheet – Governmental Funds
September 30, 2022

	General	Debt Service	American Rescue Plan Grant	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 22,780,074	\$ 65,861	9,402,533	\$ 12,066,138	\$ 44,314,606
Investments					
Certificates of deposit	1,000	-	-	-	1,000
Receivables (net of allowance for uncollectible)					
Property taxes	720,918	181,474	-	36,915	939,307
Other taxes	252,515	-	-	201,373	453,888
Accounts	407,059	9,279	-	138,465	554,803
Other government agencies	4,505,983	-	-	1,555,860	6,061,843
Accrued interest	17,157	-	-	217,236	234,393
Loans	-	-	-	3,510,499	3,510,499
Due from other funds	11,006,996	12	1,485	1,455,776	12,464,269
TOTAL ASSETS	<u>\$ 39,691,702</u>	<u>\$ 256,626</u>	<u>\$ 9,404,018</u>	<u>\$ 19,182,262</u>	<u>\$ 68,534,608</u>
LIABILITIES					
Accounts payable	\$ 68,541	\$ -	\$ -	\$ 297,847	\$ 366,388
Contracts payable	-	-	-	326,813	326,813
Accrued payroll	279,448	-	-	48	279,496
Due to other governments	212,405	-	-	-	212,405
Due to other funds	21,982	349	9,404,018	3,039,111	12,465,460
Other liabilities and escrow deposits	1,029,364	-	-	19,305	1,048,669
TOTAL LIABILITIES	<u>1,611,740</u>	<u>349</u>	<u>9,404,018</u>	<u>3,683,124</u>	<u>14,699,231</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue – charges for services	359,453	-	-	-	359,453
Unavailable revenue – property taxes	681,981	171,673	-	389,998	1,243,652
Unavailable revenue – interest	-	-	-	216,825	216,825
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,041,434</u>	<u>171,673</u>	<u>-</u>	<u>606,823</u>	<u>1,819,930</u>
FUND BALANCES (DEFICIT)					
Nonspendable	-	-	-	2,081,499	2,081,499
Restricted	5,180	84,604	-	9,922,379	10,012,163
Committed	-	-	-	2,115,732	2,115,732
Assigned	16,054,712	-	-	772,719	16,827,431
Unassigned (deficit)					
General fund	20,978,636	-	-	-	20,978,636
Special revenue funds	-	-	-	(14)	(14)
TOTAL FUND BALANCES	<u>37,038,528</u>	<u>84,604</u>	<u>-</u>	<u>14,892,315</u>	<u>52,015,447</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 39,691,702</u>	<u>\$ 256,626</u>	<u>\$ 9,404,018</u>	<u>\$ 19,182,262</u>	<u>\$ 68,534,608</u>

City of Texarkana, Texas
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
September 30, 2022

Total governmental funds balances	\$ 52,015,447
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.	129,982,083
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,819,992
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.	1,259,505
Long-term liabilities, including bonds payable and certificates of obligation, along with the related deferred outflows of resources and deferred inflows of resources on refundings, loans payable, and compensated absences are not due and payable in current periods and therefore are not reported in the funds.	(45,687,061)
Net pension liability, total 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.	(29,646,353)
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>22,661,702</u>
Net position of governmental activities	<u><u>\$ 132,405,315</u></u>

City of Texarkana, Texas
Statement of Revenues, Expenditures and Changes in
Fund Balances – Governmental Funds
Year Ended September 30, 2022

	General	Debt Service	American Rescue Plan Grant	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 13,725,050	\$ 3,456,874	\$ -	\$ 663,295	\$ 17,845,219
Other taxes	21,071,552	-	-	1,828,022	22,899,574
Franchise receipts	1,336,653	-	-	357,872	1,694,525
Fees and permits	567,147	-	-	-	567,147
Charges for services	1,056,585	-	-	99,365	1,155,950
Municipal court	1,043,046	-	-	-	1,043,046
Interest and dividends	421,591	5,409	-	200,031	627,031
Intergovernmental	186,573	-	4,702,009	2,139,431	7,028,013
Other	913,240	-	-	560,202	1,473,442
Total revenues	<u>40,321,437</u>	<u>3,462,283</u>	<u>4,702,009</u>	<u>5,848,218</u>	<u>54,333,947</u>
EXPENDITURES					
Current					
General government	7,769,666	-	-	705,009	8,474,675
Public safety	9,127,069	-	-	834,079	9,961,148
Public works	4,989,140	-	-	894,040	5,883,180
Parks and recreation	2,029,856	-	-	1,120,969	3,150,825
Health and welfare	213,165	-	6,997,249	557,187	7,767,601
Capital outlay	2,106,074	-	-	1,641,455	3,747,529
Debt service:					
Principal retirement	198,776	3,760,000	-	232,643	4,191,419
Interest and fiscal charges	4,395	1,252,946	-	-	1,257,341
Miscellaneous	-	-	-	20,449	20,449
Total expenditures	<u>26,438,141</u>	<u>5,012,946</u>	<u>6,997,249</u>	<u>6,005,831</u>	<u>44,454,167</u>
Excess (deficiency) of revenues over expenditures	<u>13,883,296</u>	<u>(1,550,663)</u>	<u>(2,295,240)</u>	<u>(157,613)</u>	<u>9,879,780</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	82,455	1,285,957	2,559,929	998,628	4,926,969
Transfers out	(4,598,471)	-	-	(1,861,221)	(6,459,692)
Total other financing sources (uses)	<u>(4,516,016)</u>	<u>1,285,957</u>	<u>2,559,929</u>	<u>(862,593)</u>	<u>(1,532,723)</u>
Net change in fund balance	9,367,280	(264,706)	264,689	(1,020,206)	8,347,057
Fund balance (deficit) at beginning of year	<u>27,671,248</u>	<u>349,310</u>	<u>(264,689)</u>	<u>15,912,521</u>	<u>43,668,390</u>
Fund balance at end of year	<u>\$ 37,038,528</u>	<u>\$ 84,604</u>	<u>\$ -</u>	<u>\$ 14,892,315</u>	<u>\$ 52,015,447</u>

City of Texarkana, Texas

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended September 30, 2022

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

Net change in fund balances - total governmental funds	\$	8,347,057
 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.		 (1,026,956)
 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.		 (138,814)
 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.		 (240,889)
 The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. 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.		 4,310,015
 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.		 (419,073)
 Net pension and total 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.		 2,012,432
 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.		 309,098
 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.		 3,545,606
		 <u>16,698,476</u>
	\$	<u>16,698,476</u>

City of Texarkana, Texas
Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual – General Fund
Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 13,653,388	\$ 13,673,403	\$ 13,725,050	\$ 51,647
Other taxes	17,913,058	20,725,445	21,071,552	346,107
Franchise receipts	1,370,500	1,353,000	1,336,653	(16,347)
Fees and permits	944,350	493,110	567,147	74,037
Charges for services	1,107,013	1,095,000	1,056,585	(38,415)
Municipal court	1,410,235	884,165	1,043,046	158,881
Grants and entitlements	32,895	15,493	-	(15,493)
Investment earnings	147,288	226,995	421,591	194,596
Intergovernmental	188,000	165,363	186,573	21,210
Other	415,400	834,532	913,240	78,708
Total revenues	<u>37,182,127</u>	<u>39,466,506</u>	<u>40,321,437</u>	<u>854,931</u>
EXPENDITURES				
Current				
General government	12,327,940	9,310,128	7,769,666	1,540,462
Public safety	12,462,637	11,979,671	9,127,069	2,852,602
Public works	6,211,235	5,545,723	4,989,140	556,583
Parks and recreation	2,105,643	2,119,053	2,029,856	89,197
Health and welfare	625,488	532,279	213,165	319,114
Capital outlay	3,527,212	3,770,616	2,106,074	1,664,542
Debt service				
Principal	251,740	198,776	198,776	-
Interest	9,281	4,395	4,395	-
Total expenditures	<u>37,521,176</u>	<u>33,460,641</u>	<u>26,438,141</u>	<u>7,022,500</u>
Excess (deficiency) of revenue over expenditures	<u>(339,049)</u>	<u>6,005,865</u>	<u>13,883,296</u>	<u>7,877,431</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,054,933	1,054,933	82,455	(972,478)
Transfers out	<u>(2,360,701)</u>	<u>(2,849,479)</u>	<u>(4,598,471)</u>	<u>(1,748,992)</u>
Total other financing sources (uses)	<u>(1,305,768)</u>	<u>(1,794,546)</u>	<u>(4,516,016)</u>	<u>(2,721,470)</u>
Net change in fund balance	(1,644,817)	4,211,319	9,367,280	5,155,961
Fund balances at beginning of year	<u>27,671,248</u>	<u>27,671,248</u>	<u>27,671,248</u>	<u>-</u>
Fund balance at end of year	<u>\$ 26,026,431</u>	<u>\$ 31,882,567</u>	<u>\$ 37,038,528</u>	<u>\$ 5,155,961</u>

City of Texarkana, Texas
Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual – American Rescue Plan Grant Fund
Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 4,000,000	\$ 4,574,733	\$ 4,702,009	\$ 127,276
Total revenues	<u>4,000,000</u>	<u>4,574,733</u>	<u>4,702,009</u>	<u>127,276</u>
EXPENDITURES				
Current				
Health and welfare	4,000,000	4,310,011	6,997,249	(2,687,238)
Total expenditures	<u>4,000,000</u>	<u>4,310,011</u>	<u>6,997,249</u>	<u>(2,687,238)</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>264,722</u>	<u>(2,295,240)</u>	<u>(2,559,962)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,559,929	2,559,929
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,559,929</u>	<u>2,559,929</u>
Net change in fund balance	-	264,722	264,689	(33)
Fund balances (deficit) at beginning of year	<u>(264,689)</u>	<u>(264,689)</u>	<u>(264,689)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (264,689)</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ (33)</u>

City of Texarkana, Texas
Statement of Net Position – Enterprise Funds
September 30, 2022

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Texarkana, Texas Water Utilities	Nonmajor Other Enterprise Funds	Total	
ASSETS				
Current assets				
Cash	\$ 16,654,721	\$ 788,179	\$ 17,442,900	\$ 1,505,474
Investments	1,869,936	-	1,869,936	-
Receivables (net of allowance for uncollectible):				
Accounts	1,724,802	37,500	1,762,302	143,500
Accrued interest	7,123	-	7,123	-
Other government agencies	1,306,868	38,113	1,344,981	561,559
Due from other funds	-	-	-	5,916
Inventory	578,234	-	578,234	25,136
Prepaid expenses	80,903	-	80,903	-
Other assets	15,809	-	15,809	-
Total current assets	<u>22,238,396</u>	<u>863,792</u>	<u>23,102,188</u>	<u>2,241,585</u>
Noncurrent assets				
Restricted assets				
Cash	167,930	-	167,930	-
Investments	700,000	-	700,000	-
Accrued interest	6,926	-	6,926	-
Accounts receivable	-	508,326	508,326	-
Total restricted assets	<u>874,856</u>	<u>508,326</u>	<u>1,383,182</u>	<u>-</u>
Other noncurrent assets				
Prepaid capital improvement deposits	1,029,207	-	1,029,207	-
Other assets	225,283	-	225,283	-
Total other noncurrent assets	<u>1,254,490</u>	<u>-</u>	<u>1,254,490</u>	<u>-</u>
Capital assets (net of accumulated depreciation)				
Land	1,444,866	800	1,445,666	-
Buildings	669,934	-	669,934	-
Improvements other than buildings	45,078,038	-	45,078,038	-
Machinery and equipment	2,446,377	-	2,446,377	-
Intersystem shared assets	6,076,904	-	6,076,904	-
Construction in progress	4,441,069	70,924	4,511,993	-
Total capital assets	<u>60,157,188</u>	<u>71,724</u>	<u>60,228,912</u>	<u>-</u>
Total noncurrent assets	<u>62,286,534</u>	<u>580,050</u>	<u>62,866,584</u>	<u>-</u>
TOTAL ASSETS	<u>84,524,930</u>	<u>1,443,842</u>	<u>85,968,772</u>	<u>2,241,585</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows	1,046,327	-	1,046,327	-
TOTAL DEFERRED OUTFLOWS ON RESOURCES	<u>1,046,327</u>	<u>-</u>	<u>1,046,327</u>	<u>-</u>

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Texarkana, Texas Water Utilities	Nonmajor Other Enterprise Funds	Total	
LIABILITIES				
Current liabilities				
Accounts payable	\$ 332,303	\$ 150,312	\$ 482,615	\$ 513,317
Accrued liabilities	136,212	161,519	297,731	149,325
Accrued interest	11,369	-	11,369	-
Due to other funds	-	-	-	4,725
Other payables	2,095,846	-	2,095,846	-
Accrued compensated absences – current	64,084	-	64,084	-
Revenue bonds – current	290,000	-	290,000	-
Notes payable – current	382,257	-	382,257	-
Total current liabilities	3,312,071	311,831	3,623,902	667,367
Noncurrent liabilities				
Customer deposits	763,271	-	763,271	-
Capital improvement deposits	394,465	1,125,161	1,519,626	-
Accrued compensated absences	384,719	-	384,719	-
Net pension and total other postemployment liabilities	2,285,532	-	2,285,532	-
Revenue bonds	1,278,008	-	1,278,008	-
Notes payable	1,549,425	-	1,549,425	-
Total noncurrent liabilities	6,655,420	1,125,161	7,780,581	-
TOTAL LIABILITIES	9,967,491	1,436,992	11,404,483	667,367
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows from pensions	1,834,791	-	1,834,791	-
Deferred pension inflows from other post emp benefits	629,153	-	629,153	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,463,944	-	2,463,944	-
NET POSITION (DEFICIT)				
Net investment in capital assets	57,525,441	71,724	57,597,165	-
Unrestricted	15,614,381	(64,874)	15,549,507	1,574,218
TOTAL NET POSITION	\$ 73,139,822	\$ 6,850	73,146,672	\$ 1,574,218
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.			314,844	
Net position of business-type activities			<u>\$ 73,461,516</u>	

City of Texarkana, Texas
Statement of Revenues, Expenses and Changes in
Net Position – Enterprise Funds
Year Ended September 30, 2022

	<u>Business -type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Texarkana, Texas Water Utilities	Nonmajor Other Enterprise Funds	Total	
OPERATING REVENUES				
Water sales	\$ 6,914,832	\$ 1,542,552	\$ 8,457,384	\$ -
Wholesale water sales	2,016,057	-	2,016,057	-
Water connection fees	10,500	-	10,500	-
Sewer charges	6,656,155	-	6,656,155	-
Penalties and service charges	740,413	-	740,413	-
Insurance contributions	-	-	-	7,496,397
Fleet services	-	-	-	200,730
Other income	5,919,760	-	5,919,760	123,464
Total operating revenues	<u>22,257,717</u>	<u>1,542,552</u>	<u>23,800,269</u>	<u>7,820,591</u>
OPERATING EXPENSES				
Administrative	310,230	-	310,230	-
Finance	1,117,731	-	1,117,731	-
Customer service	609,398	-	609,398	-
Water production	3,326,320	-	3,326,320	-
Water distribution	781,345	-	781,345	-
Sewer collection	800,646	-	800,646	-
Wastewater treatment	2,839,150	-	2,839,150	-
Environmental service	225,000	-	225,000	-
Engineering design	398,250	-	398,250	-
Geographical information systems	218,934	-	218,934	-
Composting	216,415	-	216,415	-
Operations administration	161,586	-	161,586	-
Service center	243,282	-	243,282	-
Field service	411,223	-	411,223	-
Construction oversight	1,335,472	-	1,335,472	-
Benefit payments	-	-	-	7,604,532
Fleet services	-	-	-	1,456,956
Depreciation	4,022,237	-	4,022,237	-
Other expenses	3,334,524	-	3,334,524	-
Contract water & sewer expense-International Paper	-	1,542,246	1,542,246	-
Total operating expense	<u>20,351,743</u>	<u>1,542,246</u>	<u>21,893,989</u>	<u>9,061,488</u>
Operating income (loss)	<u>1,905,974</u>	<u>306</u>	<u>1,906,280</u>	<u>(1,240,897)</u>

Business-type Activities - Enterprise Funds

	Texarkana, Texas Water Utilities	Nonmajor Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
NONOPERATING REVENUES (EXPENSES)				
Interest revenue – investments	\$ 200,555	\$ 949	\$ 201,504	\$ 16,911
Interest expense	(90,622)	-	(90,622)	-
Interest expense – notes payable	(44,480)	-	(44,480)	-
Gain (loss) on disposal of capital assets	(46,436)	-	(46,436)	-
Total nonoperating revenues (expenses)	<u>19,017</u>	<u>949</u>	<u>19,966</u>	<u>16,911</u>
Income (loss) before transfers and capital contributions	1,924,991	1,255	1,926,246	(1,223,986)
Capital contributions	65,571	-	65,571	-
Transfers in	-	-	-	1,611,726
Transfers out	<u>(77,352)</u>	<u>(284)</u>	<u>(77,636)</u>	<u>(1,367)</u>
Change in net position	1,913,210	971	1,914,181	386,373
Total net position, beginning of year	<u>71,226,612</u>	<u>5,879</u>		<u>1,187,845</u>
Total net position, end of year	<u>\$ 73,139,822</u>	<u>\$ 6,850</u>		<u>\$ 1,574,218</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>75,846</u>	
Change in net position of business-type activities			<u>\$ 1,990,027</u>	

City of Texarkana, Texas
Statement of Cash Flows – Enterprise Funds
Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Texarkana, Texas Water Utilities	Nonmajor Other Enterprise Funds	Total	
Cash Flows from Operating Activities				
Cash received from customers	\$ 22,672,516	\$ 1,328,534	\$ 24,001,050	\$ 7,717,219
Cash received from interfund services provided and used	-	-	-	256,300
Cash paid to suppliers	(13,574,151)	(1,532,375)	(15,106,526)	(8,719,549)
Cash paid to employees	(3,400,414)	-	(3,400,414)	(350,767)
Other payments	-	-	-	(5,916)
Net cash provided from (used by) from operating activities	<u>5,697,951</u>	<u>(203,841)</u>	<u>5,494,110</u>	<u>(1,102,713)</u>
Cash Flows from Noncapital Financing Activities				
Transfers to other funds	(77,352)	(284)	(77,636)	(1,367)
Transfers in from other funds	-	-	-	1,611,726
Net cash provided from (used by) noncapital financing activities	<u>(77,352)</u>	<u>(284)</u>	<u>(77,636)</u>	<u>1,610,359</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	(2,829,458)	(70,924)	(2,900,382)	-
Principal paid on bonds	(278,134)	-	(278,134)	-
Interest paid on bonds	(90,096)	-	(90,096)	-
Principal paid on notes payable	(373,717)	-	(373,717)	-
Interest paid on notes payable	(44,480)	-	(44,480)	-
Capital improvement deposits received	-	228,000	228,000	-
Capital improvement deposits returned	114,463	-	114,463	-
Federal grants received	65,571	-	65,571	-
Net cash provided from (used by) capital and related financing activities	<u>(3,435,851)</u>	<u>157,076</u>	<u>(3,278,775)</u>	<u>-</u>
Cash Flows from Investing Activities				
Purchase of investments	(687,436)	-	(687,436)	-
Interest received on investments	505,304	949	506,253	16,911
Net cash provided from (used by) investing activities	<u>(182,132)</u>	<u>949</u>	<u>(181,183)</u>	<u>16,911</u>
Net increase (decrease) in cash	2,002,616	(46,100)	1,956,516	524,557
Cash, beginning of year	<u>14,820,035</u>	<u>834,279</u>	<u>15,654,314</u>	<u>980,917</u>
Cash, end of year	<u>\$ 16,822,651</u>	<u>\$ 788,179</u>	<u>\$ 17,610,830</u>	<u>\$ 1,505,474</u>
Cash - unrestricted	\$ 16,654,721	\$ 788,179	\$ 17,442,900	\$ 1,505,474
Cash - restricted	<u>167,930</u>	<u>-</u>	<u>167,930</u>	<u>-</u>
	<u>\$ 16,822,651</u>	<u>\$ 788,179</u>	<u>\$ 17,610,830</u>	<u>\$ 1,505,474</u>

City of Texarkana, Texas
Statement of Cash Flows – Enterprise Funds
Year Ended September 30, 2022

	Business-type Activities - Enterprise			Governmental Activities - Internal Service Funds
	Texarkana, Texas Water Utilities	Nonmajor Other Enterprise Funds	Total	
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided from (Used By) Operating Activities</u>				
Operating Income (Loss)	\$ 1,905,974	\$ 306	\$ 1,906,280	\$ (1,240,897)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided from (Used By) Operating Activities				
Depreciation expense	4,022,237	-	4,022,237	-
(Increase) decrease in assets				
Accounts receivable	388,014	(214,264)	173,750	125,760
Due from other government agencies	(2,093)	246	(1,847)	205,830
Due from other funds	(751,925)	(11,888)	(763,813)	(5,815)
Inventory	(31,116)	-	(31,116)	(8,078)
Prepaid expenses	(1,112)	-	(1,112)	-
(Increase) decrease in deferred outflows	(328,572)	-	(328,572)	-
Increase (decrease) in liabilities				
Accounts payable	(527,379)	35,586	(491,793)	(19,581)
Accrued liabilities	(36,121)	(16,789)	(52,910)	(164,619)
Due to other funds	(55,836)	2,962	(52,874)	4,687
Accrued compensated absences	27,803	-	27,803	-
Customer deposits	28,804	-	28,804	-
Net pension and total other postemployment liabilities	(1,423,252)	-	(1,423,252)	-
Other payables	1,716,691	-	1,716,691	-
Increase (decrease) in deferred inflows	765,834	-	765,834	-
Total adjustments	<u>3,791,977</u>	<u>(204,147)</u>	<u>3,587,830</u>	<u>138,184</u>
Net cash provided from (used by) from operating activities	<u>\$ 5,697,951</u>	<u>\$ (203,841)</u>	<u>\$ 5,494,110</u>	<u>\$ (1,102,713)</u>

City of Texarkana, Texas
Statement of Fiduciary Net Position – Fiduciary Funds
September 30, 2022

	Firemen's Relief Pension Trust Fund 12/31/2021	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 1,681,125	\$ 148,855
Receivables		
Interest and dividends	57,402	-
Investments, at fair value		
Equities:		
Domestic	13,942,999	-
International	3,450,440	-
Fixed income:		
Domestic	9,413,735	-
International	943,868	-
Alternative investments	12,685,310	
Real estate	1,756,506	-
Other assets	7,220	-
TOTAL ASSETS	43,938,605	148,855
LIABILITIES		
Accrued expenses	28,535	-
Due to other funds	-	71,013
TOTAL LIABILITIES	28,535	71,013
NET POSITION		
Net position – restricted for pension benefits	43,910,070	-
Net position - restricted individuals, organizations, other governments	-	77,842
TOTAL NET POSITION	\$ 43,910,070	\$ 77,842

City of Texarkana, Texas
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
September 30, 2022

	Firemen's Relief Pension Trust Fund 12/31/2021	Custodial Funds
ADDITIONS		
Contributions		
Employer	\$ 886,599	\$ -
Members	613,798	-
Total contributions	1,500,397	-
Investment income		
Interest and dividend income	844,678	2,248
Capital gain distributions	4,403	-
Net appreciation in fair value of investments	3,992,226	-
Less investment expense	(214,594)	-
Net investment income	4,626,713	2,248
Seized funds	-	50,877
TOTAL ADDITIONS	6,127,111	53,125
 DEDUCTIONS		
Benefits paid to participants	2,933,296	-
Refunds and drop payments	141,965	-
Administrative expenses	58,983	-
Distributions to other governments	-	63,278
TOTAL DEDUCTIONS	3,134,244	63,278
 Change in net position	2,992,867	(10,153)
 Net position at beginning of year	40,917,203	87,995
 Net position at end of year	\$ 43,910,070	\$ 77,842

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

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 \$75,000 and \$68,750 in fiscal year 2022 and 2021, respectively, towards the Health Center's operations during the year ended September 30, 2022. 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, 2022

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 \$2,254,682 by Texarkana, Texas and \$2,097,506 by Texarkana, Arkansas. During the Airport Authority's fiscal year ended December 31, 2021, the City of Texarkana, Texas contributed \$86,788 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 \$20,684,295 at December 31, 2021 (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, 2022 was \$475,887 based on the Bi-State Justice Center's audited financial statements at December 31, 2021 (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, 2022

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, 2022 was \$0 based on the Texarkana Urban Transportation Study Policy Committee's financial records at September 30, 2022. The TUTS does not have separately issued financial statements for the year ended September 30, 2022.

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, 2022 was \$1,501,520 based on the Texarkana Urban Transit District's audited financial statements at September 30, 2021 (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, 2022

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 custodial 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

September 30, 2022

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 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

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

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, 2022.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2022

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, 2022 was levied using a rate of \$.650000 per hundred dollars of assessed valuation, based on 100% of estimated market value, which means that the City has a tax margin of \$1.850000 per \$100 and could raise taxes up to an additional \$51,775,715 a year from the present assessed valuation of \$2,798,687,278 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
Notes to Financial Statements
September 30, 2022

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:

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
September 30, 2022

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, 2022

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

Notes to Financial Statements

September 30, 2022

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, 2022

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
Notes to Financial Statements
September 30, 2022

Postemployment Benefits Other Than Pension (OPEB)

For purposes of measuring the total 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. 87 (GASB 87), Leases

GASB Statement No. 87, *Leases* is effective for the City in the fiscal year 2022. The statement provides a new framework for accounting for leases under the principle that leases are financings and lessees should recognize an intangible asset and a corresponding liability and the lessor will recognize a lease receivable and related deferred inflow of resources. GASB 87 had no impact to the City's financial statements.

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.

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

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

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.

For the year ended September 30, 2022, expenditures exceeded appropriations in the TIRZ #1 Fund within the public works function by \$739,640 and in the COC Homeless Assistance Grant Fund within the health and welfare function of \$82,949.

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.

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:

Fund	Amount
General	\$ 3,511,305
TIRZ #1	490,041
CDBG	101,029
Public Safety Radio	208,416
COC Homeless Assistance Grant	141,032
Farmers Market	270
Fleet Services	3,987
NRDA Grant	543,275
Total	\$ 4,999,355

Note 3: Deposits and Investments

Deposits

At September 30, 2022, the carrying amount of the primary government, custodial fund and component unit's cash was \$64,375,332 and the respective bank balances totaled \$70,298,774.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

Investments

For fiscal year 2022, the City invested in non-negotiable certificates of deposits measured at amortized cost. The City records all interest revenue related to investment activities in the respective funds. As of September 30, 2022, the carrying amount of the City’s certificates of deposits reported as investments totaled \$2,570,936.

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:

<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%

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

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 or measured at net asset value.

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

Cash and Cash Equivalents	
Cash	\$ 32,880
Money market funds	1,648,245
 Investments	
Equities:	
Domestic	13,942,999
International	3,450,440
Fixed income:	
Domestic	9,413,735
International	943,868
Alternative investments	12,685,310
Real estate	1,756,506
Total investments	<u>42,192,858</u>
Total investments and cash and cash equivalents	<u>\$ 43,873,983</u>

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, 2021, 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	\$ 13,942,999	\$ 13,942,999	\$ -	\$ -	\$ -
International equities	3,450,440	3,450,440	-	-	-
Domestic fixed income	9,413,735	-	910,649	2,979,979	5,523,107
International fixed income	943,868	52,852	891,016	-	-
	27,751,042	<u>\$ 17,446,291</u>	<u>\$ 1,801,665</u>	<u>\$ 2,979,979</u>	<u>\$ 5,523,107</u>
Alternative investments	12,685,310				
Real estate	1,756,506				
	<u>\$ 42,192,858</u>				

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

For the year ended December 31, 2021 the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was (11.54%). 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, 2021.

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, custodial fund and the component unit's categorizable bank deposits of \$70,298,774, none were uninsured and uncollateralized.

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.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

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, 2021, the City's Firemen's Relief and Pension fund had fixed income securities of \$943,868 invested in foreign obligations with Seacrest Investment Management, LLC. The Seacrest investments are comprised of the following investments at December 31, 2021:

	Fair Value
Canada	\$ 246,998
El Salvador	55,476
Germany	93,773
Mexico	18,945
South Africa	105,188
Venezuela	2,519
Supranational	420,969
Total	\$ 943,868

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	Texarkana, Texas Water Utilities	Nonmajor and Other Funds	Total
Receivables					
Property taxes	\$ 734,207	\$ 184,819	\$ -	\$ 36,915	\$ 955,941
Other taxes	252,515	-	-	201,373	453,888
Accounts	407,059	9,279	2,288,982	319,465	3,024,785
Intergovernmental	4,505,983	-	1,306,868	2,117,419	7,930,270
Interest	2,416	-	7,123	217,236	226,775
Loans	-	-	-	3,510,499	3,510,499
Restricted accounts	-	-	-	684,763	684,763
Restricted interest	-	-	6,926	-	6,926
Gross receivables	5,902,180	194,098	3,609,899	7,087,670	16,793,847
Less: allowance for uncollectibles	(13,289)	(3,345)	(564,180)	(176,437)	(757,251)
Net total receivables	\$ 5,888,891	\$ 190,753	\$ 3,045,719	\$ 6,911,233	\$ 16,036,596

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

Note 5: Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	Balance October 1, 2021	Additions	Deletions	Transfers	Balance September 30, 2022
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 12,206,878	\$ -	\$ -	\$ -	\$ 12,206,878
Construction in progress	6,897,861	1,602,006	-	(1,134,158)	7,365,709
Total capital assets, not being depreciated	<u>19,104,739</u>	<u>1,602,006</u>	<u>-</u>	<u>(1,134,158)</u>	<u>19,572,587</u>
Capital assets, being depreciated					
Buildings	33,648,772	44,001	(47,350)	-	33,645,423
Improvements other than buildings	7,786,022	31,502	(727,021)	506,741	7,597,244
Infrastructure	170,140,301	869,755	(165,359)	443,078	171,287,775
Machinery and equipment	9,397,202	810,948	(952,050)	85,029	9,341,129
Licensed vehicles	11,606,722	1,106,550	(659,774)	99,310	12,152,808
Total capital assets, being depreciated	<u>232,579,019</u>	<u>2,862,756</u>	<u>(2,551,554)</u>	<u>1,134,158</u>	<u>234,024,379</u>
Less accumulated depreciation for					
Buildings	(20,530,258)	(709,296)	18,466	-	(21,221,088)
Improvements other than buildings	(4,681,652)	(259,961)	702,314	-	(4,239,299)
Infrastructure	(83,764,722)	(3,054,933)	162,937	-	(86,656,718)
Machinery and equipment	(4,518,739)	(463,593)	926,089	-	(4,056,243)
Licensed vehicles	(7,025,554)	(1,003,935)	587,954	-	(7,441,535)
Total accumulated depreciation	<u>(120,520,925)</u>	<u>(5,491,718)</u>	<u>2,397,760</u>	<u>-</u>	<u>(123,614,883)</u>
Total capital assets, being depreciated, net	<u>112,058,094</u>	<u>(2,628,962)</u>	<u>(153,794)</u>	<u>-</u>	<u>110,409,496</u>
Governmental capital assets, net	<u>\$ 131,162,833</u>	<u>\$ (1,026,956)</u>	<u>\$ (153,794)</u>	<u>\$ -</u>	<u>\$ 129,982,083</u>

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

	Balance October 1, 2021	Additions	Deletions	Transfers	Balance September 30, 2022
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,445,666	\$ -	\$ -	\$ -	\$ 1,445,666
Construction in progress	3,694,821	2,899,946	-	(2,082,774)	4,511,993
Total capital assets, not being depreciated	<u>5,140,487</u>	<u>2,899,946</u>	<u>-</u>	<u>(2,082,774)</u>	<u>5,957,659</u>
Capital assets, being depreciated:					
Buildings	3,500,536	-	-	-	3,500,536
Improvements other than buildings	97,960,711	-	-	838,075	98,798,786
Machinery and equipment	8,691,576	-	(349,259)	1,244,699	9,587,016
Intersystem shared assets	20,651,072	-	-	-	20,651,072
Total capital assets, being depreciated	<u>130,803,895</u>	<u>-</u>	<u>(349,259)</u>	<u>2,082,774</u>	<u>132,537,410</u>
Less accumulated depreciation for:					
Buildings	(2,764,743)	(65,859)	-	-	(2,830,602)
Improvements other than buildings	(50,757,420)	(2,963,328)	-	-	(53,720,748)
Machinery and equipment	(6,763,972)	(680,601)	303,934	-	(7,140,639)
Intersystem shared assets	(14,261,719)	(312,449)	-	-	(14,574,168)
Total accumulated depreciation	<u>(74,547,854)</u>	<u>(4,022,237)</u>	<u>303,934</u>	<u>-</u>	<u>(78,266,157)</u>
Total capital assets, being depreciated, net	<u>56,256,041</u>	<u>(4,022,237)</u>	<u>(45,325)</u>	<u>2,082,774</u>	<u>54,271,253</u>
Business-type capital assets, net	<u>\$ 61,396,528</u>	<u>\$ (1,122,291)</u>	<u>\$ (45,325)</u>	<u>\$ -</u>	<u>\$ 60,228,912</u>

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

Depreciation was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 197,114
Public safety	870,553
Public works	3,570,010
Parks and recreation	854,041
Total depreciation expense - governmental activities	\$ 5,491,718
Business-type activities:	
Water and sewer	\$ 4,022,237
Total depreciation expense - business-type activities	\$ 4,022,237

Discretely Presented Component Unit

Activity for the Health Center for the year ended September 30, 2022 was as follows:

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
Capital assets, being depreciated:				
Buildings	\$ 1,379,633	\$ 51,560	\$ -	\$ 1,431,193
Improvements other than buildings	42,841	-	-	42,841
Machinery and equipment	98,496	31,404	-	129,900
Total capital assets, being depreciated	1,520,970	82,964	-	1,603,934
Less accumulated depreciation for:				
Buildings	(1,126,347)	(34,113)	-	(1,160,460)
Improvements other than buildings	(42,841)	-	-	(42,841)
Machinery and equipment	(24,627)	(10,267)	-	(34,895)
Total accumulated depreciation	(1,193,815)	(44,380)	-	(1,238,196)
Total capital assets, being depreciated, net	\$ 327,155	\$ 38,584	\$ -	\$ 365,738

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

Note 6: Construction Projects

As of September 30, 2022, the City had the following commitments with respect to unfinished capital projects:

	Project Authorization	Expended Through 9/30/2022	Required Future Financing
Bender Road 2" Overlay Street Reconstruction	\$ 219,813	\$ -	\$ 219,813
Clean up of City owned site	24,703	24,703	-
College Drive Bike Ped Project	906,843	69,168	837,675
College Drive Shoring Phase 1	25,895	-	25,895
Downtown Sidewalk Project Installation	142,252	-	142,252
Drainage Inlet Replacement - Williams Memorial	11,995	11,995	-
Elizabeth Street 2" Overlay Street Reconstruction	139,056	-	139,056
Ferguson Conceptual Alternative Analysis	17,545	12,676	4,869
Gibson Bridge Project	7,650,157	7,160,116	490,041
Lighted Sculptures at Courthouse	15,000	15,000	-
N. Robinson Bike Ped Project	910,658	56,632	854,026
Total	<u>\$ 10,063,917</u>	<u>\$ 7,350,290</u>	<u>\$ 2,713,627</u>

Note 7: Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2022, is as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental fund	\$ 1,597,904
General	Debt service	349
General	American rescue plan act	9,404,018
General	Internal service fund	4,725
American rescue plan act	General	1,485
Nonmajor governmental fund	Nonmajor governmental fund	1,438,500
Nonmajor governmental fund	General	17,276
Internal service fund	Nonmajor governmental fund	2,695
Internal service fund	General	3,221
Debt service	Nonmajor governmental fund	12
Total		<u>\$ 12,470,185</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
September 30, 2022

Interfund transfers:

Transfer in:	Transfers Out:				Total
	General Fund	Nonmajor Governmental	Internal Service	Texarkana, Texas Water Utilities & Other Enterprise Funds	
General fund	\$ -	\$ 3,452	\$ 1,367	\$ 77,636	\$ 82,455
Debt service	-	1,285,957	-	-	1,285,957
Texarkana, Texas Water Utilities	-	-	-	-	-
Nonmajor governmental funds	426,816	571,812	-	-	998,628
American rescue plan act	2,559,929	-	-	-	2,559,929
Fleet services (internal service)	1,611,726	-	-	-	1,611,726
Total transfers in	<u>\$ 4,598,471</u>	<u>\$ 1,861,221</u>	<u>\$ 1,367</u>	<u>\$ 77,636</u>	<u>\$ 6,538,695</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 \$955,295 for 2022.

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 \$759,443 for 2022.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2022

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 \$418,122 for 2022. The effective transfer of assets pursuant to this agreement has been recorded as an intersystem notes payable.

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 2022 the Texas Utilities made transfers to the Arkansas Utilities for debt service for \$97,314.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

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 2022, the Texas Utility received payments of \$27,150, 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 notes payable by the Texas Utility.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

Note 10: 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 19.3239% 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, 2022 are as follows:

	<u>Rate of interest</u>	<u>Original Issue</u>	<u>Outstanding September 30, 2022</u>
General Obligation Bonds			
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	\$ 6,555,000
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	7,830,000
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	660,000
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>3,530,000</u>
Total general obligation bonds		<u>\$ 30,435,000</u>	<u>\$ 18,575,000</u>

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

Annual requirements to amortize general obligation bonds outstanding at September 30, 2022 are as follows:

<u>Requirements Year Ending September 30</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,530,000	\$ 511,197	\$ 3,041,197
2024	2,655,000	264,817	2,919,817
2025	2,760,000	334,070	3,094,070
2026	2,860,000	254,685	3,114,685
2027	2,960,000	171,489	3,131,489
2028-2033	4,810,000	195,533	5,005,533
Total	<u>\$ 18,575,000</u>	<u>\$ 1,731,791</u>	<u>\$ 20,306,791</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, 2022, are as follows:

	<u>Rate of interest</u>	<u>Original Issue</u>	<u>Outstanding September 30, 2022</u>
Certificates of Obligation			
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	\$ 2,710,000
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	11,875,000
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>5,625,000</u>
Total certificates of obligation		<u>\$ 25,055,000</u>	<u>\$ 20,210,000</u>

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

Annual requirements to amortize certificates of obligations outstanding at September 30, 2022, are as follows:

<u>Year Ending September 30</u>	<u>Certificates of Obligation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	7,225,000	1,810,188	9,035,188
2028-2032	7,000,000	687,194	7,687,194
2033-2037	985,000	17,238	1,002,238
Total	<u>\$ 20,210,000</u>	<u>\$ 4,749,583</u>	<u>\$ 24,959,583</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, 2022, are as follows:

<u>Revenue Bonds</u>	<u>Rate of interest</u>	<u>Original Issue</u>	<u>Outstanding September 30, 2022</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	\$ 1,383,008
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>185,000</u>
Total Texarkana, Texas Water Utilities		<u>\$ 2,750,000</u>	<u>\$ 1,568,008</u>

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

Annual requirements to amortize revenue bonds outstanding at September 30, 2022 are as follows:

Requirements Year Ending September 30	Revenue Bonds		
	Principal	Interest	Total
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	120,000	44,394	164,394
2028-2033	<u>828,008</u>	<u>144,781</u>	<u>972,789</u>
Total	<u>\$ 1,568,008</u>	<u>\$ 412,684</u>	<u>\$ 1,980,692</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
September 30, 2022

Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2022:

	Balance October 1, 2021	Additions	Retirements/ Deductions	Balance September 30, 2022	Long-term Balance	Due Within One Year
Governmental Activities						
General obligation bonds	\$ 21,185,000	\$ -	\$ (2,610,000)	\$ 18,575,000	\$ 16,045,000	\$ 2,530,000
Issuance premiums	1,220,206	-	(147,569)	1,072,637	1,072,637	-
Total general obligation bonds	<u>22,405,206</u>	<u>-</u>	<u>(2,757,569)</u>	<u>19,647,637</u>	<u>17,117,637</u>	<u>2,530,000</u>
Certificates of obligation	21,360,000	-	(1,150,000)	20,210,000	19,020,000	1,190,000
Issuance premiums	723,698	-	(41,441)	682,257	682,257	-
Total certificates of obligation	<u>22,083,698</u>	<u>-</u>	<u>(1,191,441)</u>	<u>20,892,257</u>	<u>19,702,257</u>	<u>1,190,000</u>
Loans payable	239,485	-	(198,776)	40,709	-	40,709
Notes payable	227,000	-	(227,000)	-	-	-
Net pension liabilities	12,547,876	-	(6,699,023)	5,848,853	5,848,853	-
Net other postemployment liabilities	16,991,566	-	(2,812,912)	14,178,654	14,178,654	-
Accrued compensated absences	5,092,395	1,802,495	(1,383,422)	5,511,468	5,122,790	388,678
Governmental activity						
Long-term liabilities	<u>\$ 79,587,226</u>	<u>\$ 1,802,495</u>	<u>\$ (15,270,143)</u>	<u>\$ 66,119,578</u>	<u>\$ 61,970,191</u>	<u>\$ 4,149,387</u>
Business-type Activities						
Revenue bonds	\$ 1,855,000	\$ -	\$ (280,000)	\$ 1,575,000	\$ 1,285,000	\$ 290,000
Issuance discounts	(8,858)	-	1,866	(6,992)	(6,992)	-
Total revenue bonds	<u>1,846,142</u>	<u>-</u>	<u>(278,134)</u>	<u>1,568,008</u>	<u>1,278,008</u>	<u>290,000</u>
Notes payable	2,305,325	-	(373,643)	1,931,682	1,549,425	382,257
Net pension liabilities	2,771,453	-	(1,289,604)	1,481,849	1,481,849	-
Other postemployment liabilities	937,331	-	(133,648)	803,683	803,683	-
Accrued compensated absences	421,000	432,600	(404,797)	448,803	384,719	64,084
Business-type activity						
Long-term liabilities	<u>\$ 8,281,251</u>	<u>\$ 432,600</u>	<u>\$ (2,479,826)</u>	<u>\$ 6,234,025</u>	<u>\$ 5,497,684</u>	<u>\$ 736,341</u>

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

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

Note 11: 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, 2022 is \$205,000.

Note 12: 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, 2022 the City contributed \$388,271 for workers' compensation coverage.

The City has outside property insurance coverage totaling \$60,052,989 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 \$2,739,638 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
Notes to Financial Statements
September 30, 2022

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:

	Year Ended September 30, 2022	Year Ended September 30, 2021
Unpaid claims, October 1	\$ 532,888	\$ 496,678
Incurred claims	2,976,883	3,108,247
Claim payments	<u>(2,991,715)</u>	<u>(3,072,037)</u>
Unpaid claims, September 30	<u><u>\$ 518,056</u></u>	<u><u>\$ 532,888</u></u>

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

Note 13: 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
Notes to Financial Statements
September 30, 2022

Total All Employee Retirement Systems

<u>Plan</u>	<u>Net Pension Liability (Asset)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expenses/ Expenditures (Income)</u>
Governmental activities				
TMRS Plan 1	\$ (144,884)	\$ 1,050,883	\$ 3,539,588	\$ 523,513
TMRS Plan 2	2,309,820	1,662,473	3,622,913	43,049
Firefighters Relief & Retirement Fund	3,683,917	1,355,692	4,351,901	(215,121)
Total governmental activities	5,848,853	4,069,048	11,514,402	351,441
Business-type activities:				
TMRS Plan 3	1,481,849	1,046,327	1,834,791	438,006
Total	<u>\$ 7,330,702</u>	<u>\$ 5,115,375</u>	<u>\$ 13,349,193</u>	<u>\$ 789,447</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 over 900 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.

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
Notes to Financial Statements
September 30, 2022

Plan provisions for the City were as follows:

	Plan No. 1	Plan No. 2	Plan No. 3
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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

	Plan No. 1	Plan No. 2	Plan No. 3
Inactive employees or beneficiaries currently receiving benefits	92	211	125
Inactive employees entitled to but not yet receiving benefits	25	117	53
Active employees	88	189	163
Total	<u>205</u>	<u>517</u>	<u>341</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 2021 and 2022.

	Plan No. 1	Plan No. 2	Plan No. 3
City Contribution Rate:			
2021	15.31%	14.76%	16.12%
2022	14.94%	14.75%	16.03%

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

The City's contributions to TMRS for the year ended September 30, 2022 were \$866,747, \$1,301,779 and \$784,255 for Plan No. 1, Plan No. 2, and Plan No. 3, respectively, and were equal to the required contributions.

Net Pension Liability/(Asset)

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

Actuarial Assumptions

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

Inflation	2.50%
Overall payroll growth	2.75% for Plan 1, 2.25% for Plan 2, 2.65% for Plan 3
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
Notes to Financial Statements
September 30, 2022

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 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
International equity	35.00%	7.55%
Core fixed income	6.00%	2.00%
Non-core fixed income	20.00%	5.68%
Real return	12.00%	7.22%
Real estate	12.00%	6.85%
Absolute return	5.00%	5.35%
Private equity	10.00%	10.00%
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
Notes to Financial Statements
September 30, 2022

CHANGES IN NET PENSION LIABILITY/(ASSET)

	PLAN NO. 1		
	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at October 1, 2021	\$ 50,608,102	\$ 47,926,784	\$ 2,681,318
Changes for the year:			
Service cost	1,022,657	-	1,022,657
Interest	3,370,588	-	3,370,588
Difference between expected and actual experience	301,510	-	301,510
Changes of assumptions	-	-	-
Contributions - employer	-	886,747	(886,747)
Contributions - employee	-	418,409	(418,409)
Net investment income	-	6,244,512	(6,244,512)
Benefit payments, including refunds of employee contributions	(2,369,592)	(2,369,592)	-
Administrative expense	-	(28,909)	28,909
Other changes	-	198	(198)
Net changes	<u>2,325,163</u>	<u>5,151,365</u>	<u>(2,826,202)</u>
Balance at September 30, 2022	<u>\$ 52,933,265</u>	<u>\$ 53,078,149</u>	<u>\$ (144,884)</u>

CHANGES IN NET PENSION LIABILITY

	PLAN NO. 2		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at October 1, 2021	\$ 57,665,710	\$ 52,900,972	\$ 4,764,738
Changes for the year:			
Service cost	1,290,355	-	1,290,355
Interest	3,775,681	-	3,775,681
Difference between expected and actual experience	1,027,209	-	1,027,209
Changes of assumptions	-	-	-
Contributions - employer	-	1,223,299	(1,223,299)
Contributions - employee	-	558,064	(558,064)
Net investment income	-	6,798,069	(6,798,069)
Benefit payments, including refunds of employee contributions	(3,176,563)	(3,176,563)	-
Administrative expense	-	(31,484)	31,484
Other changes	-	215	(215)
Net changes	<u>2,916,682</u>	<u>5,371,600</u>	<u>(2,454,918)</u>
Balance at September 30, 2022	<u>\$ 60,582,392</u>	<u>\$ 58,272,572</u>	<u>\$ 2,309,820</u>

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

CHANGES IN NET PENSION LIABILITY
PLAN NO. 3

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at October 1, 2021	\$ 30,090,668	\$ 27,319,215	\$ 2,771,453
Changes for the year:			
Service cost	813,411	-	813,411
Interest	1,980,307	-	1,980,307
Change of benefit terms	-	-	-
Difference between expected and actual experience	538,510	-	538,510
Changes of assumptions	-	-	-
Contributions - employer	-	784,255	(784,255)
Contributions - employee	-	340,135	(340,135)
Net investment income	-	3,513,590	(3,513,590)
Benefit payments, including refunds of employee contributions	(1,539,195)	(1,539,195)	-
Administrative expense	-	(16,261)	16,261
Other changes	-	113	(113)
Net changes	<u>1,793,033</u>	<u>3,082,637</u>	<u>(1,289,604)</u>
Balance at September 30, 2022	<u>\$ 31,883,701</u>	<u>\$ 30,401,852</u>	<u>\$ 1,481,849</u>

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability:			
Plan No. 1	\$ 7,709,143	(144,884)	\$ (6,520,200)
Plan No. 2	10,565,347	2,309,820	(4,380,507)
Plan No. 3	8,746,055	1,481,849	(3,099,313)

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.tmr.com.

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

For the year ended September 30, 2022, the City recognized pension expense of \$523,513, \$43,049 and \$438,006 in Plan No. 1, Plan No. 2 and Plan No. 3, respectively.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

At September 30, 2022, 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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 3,218,080
Changes in actuarial assumptions	35,223	-
Differences between expected and actual experience	342,971	321,508
Contributions made after December 31, 2021 but before September 30, 2022	<u>672,689</u>	<u>-</u>
Total	<u><u>\$ 1,050,883</u></u>	<u><u>\$ 3,539,588</u></u>

SCHEDULE OF OUTFLOWS AND INFLOWS
PLAN NO. 2

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 3,498,691
Changes of assumptions	7,584	-
Differences between expected and actual experience	670,539	124,222
Contributions made after December 31, 2021 but before September 30, 2022	<u>984,347</u>	<u>-</u>
Total	<u><u>\$ 1,662,470</u></u>	<u><u>\$ 3,622,913</u></u>

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

SCHEDULE OF OUTFLOWS AND INFLOWS
PLAN NO. 3

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,568,073
Changes of assumptions	12,752	-
Differences between expected and actual experience	418,405	266,718
Contributions made after December 31, 2021 but before September 30, 2022	<u>615,170</u>	<u>-</u>
Total	<u>\$ 1,046,327</u>	<u>\$ 1,834,791</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 September 30:</u>	<u>Plan No. 1</u>	<u>Plan No. 2</u>	<u>Plan No. 3</u>
2023	\$ (675,230)	\$ (358,677)	\$ (225,937)
2024	(1,382,392)	(1,182,287)	(661,584)
2025	(588,745)	(737,503)	(256,209)
2026	(540,934)	(666,326)	(259,904)
2027	25,907	-	-
Thereafter	-	-	-
Total	<u>\$ (3,161,394)</u>	<u>\$ (2,944,793)</u>	<u>\$ (1,403,634)</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
Notes to Financial Statements
September 30, 2022

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, 2021:

Retirees and beneficiaries currently receiving benefits	74	
Active employees	79	
Total	<table style="margin-left: auto; margin-right: 0; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">153</td> </tr> </table>	153
153		

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
Notes to Financial Statements
September 30, 2022

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, 2021 were as follows:

	Amount	Percentage
Employer	\$ 886,599	19.5%
Members	613,799	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, 2021, 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, 2021. The components of the net pension liability of the employer on December 31, 2021 were as follows:

Total pension liability	\$ 47,593,987	
Plan fiduciary net position	(43,910,070)	
City's net pension liability	\$ 3,683,917	
Plan fiduciary net position as a percentage of the total pension liability	92.3%	

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

Actuarial Assumptions

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

Investment return	7.5%, net of pension plan investment expense, including inflation
Administrative expense	0.90% of payroll
Salary increases	2.9%, plus promotion, step and longevity increases that vary by service
Total payroll growth	2.9% 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, 2021, (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	5.80%
Small/mid cap domestic	6.30%
International developed	6.30%
Emerging markets	7.80%
Fixed income	
Domestic core	1.30%
Domestic high yield	2.80%
Global	0.00%
Cash	0.00%

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City’s net pension liability	\$ 8,907,381	\$ 3,683,917	\$ (711,460)

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
Notes to Financial Statements
September 30, 2022

Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Amounts as of September 30, 2021	\$ 46,019,024	\$ 40,917,203	\$ 5,101,821
Changes for the year:			
Service cost	947,550	-	947,550
Interest	3,452,600	-	3,452,600
Differences between expected and actual experience	(203,584)	-	(203,584)
Contributions by the City	-	886,599	(886,599)
Contributions by the members	-	613,799	(613,799)
Net investment income	-	4,626,713	(4,626,713)
Benefit payments	(3,075,261)	(3,075,261)	-
Administrative expenses	-	(58,983)	58,983
Assumption changes	453,658	-	453,658
Net changes	<u>1,574,963</u>	<u>2,992,867</u>	<u>(1,417,904)</u>
Amounts as of September 30, 2022	<u>\$ 47,593,987</u>	<u>\$ 43,910,070</u>	<u>\$ 3,683,917</u>

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

For the year ended September 30, 2022, the City's GASB 68 pension income was \$215,121. 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, 2022, are as follows:

Service cost	\$ 947,550
Interest	3,452,600
Member contributions	(613,799)
Projected earnings on pension plan investments	(3,047,621)
Amortization of differences between projected and actual earnings on plan investments	(1,085,624)
Amortization of changes of assumptions	298,954
Amortization of differences between expected and actual experience	(226,164)
Pension plan administrative expenses	58,983
Total pension expense (income)	<u>\$ (215,121)</u>

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

At September 30, 2022, the City reported deferred outflows of resources related to the Fire Pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 3,636,521
Changes of assumptions	1,314,421	-
Differences between expected and actual experience	41,271	715,380
Contributions made after December 31, 2021 but before September 30, 2022	-	-
Total	\$ 1,355,692	\$ 4,351,901

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:

Year Ended September 30	Deferred Outflows (Inflows) of Resources
2023	\$ (593,758)
2024	(1,518,157)
2025	(764,734)
2026	(197,644)
2027	34,398
Thereafter	43,686
Total	\$ (2,996,209)

Note 14: 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
September 30, 2022

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, 2021 valuation date, the following employees were covered by the benefit terms:

	9/30/2022
Inactive employees or beneficiaries currently receiving benefit payments	11
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	309
Total	320

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
September 30, 2022

Total OPEB Liability and Actuarial Assumptions

The City’s Total OPEB Liability was measured as of September 30, 2022 and was determined by an actuarial valuation as of October 1, 2021, using the following actuarial assumptions:

Inflation	2.50% per annum
Salary inflation	3.00% per annum
Discount rate	4.77% per annum, which includes inflation (prior year was 2.43%)
Healthcare cost trend rates	7.10% initial medical trend rate for retirees decreasing to an ultimate rate of 4.16% in the year 2041

Mortality rates were updated and are based upon the RP-2014h sex distinct mortality improvement table with generational mortality improvement scale MP-2021

	Total OPEB Liability
Balance at 9/30/2021	\$ 16,991,566
Changes for the year:	
Service cost	1,038,212
Interest	445,696
Difference in expected and actual experience	432,421
Change in assumptions	(4,487,593)
Benefit payments	<u>(241,648)</u>
Net changes	<u>(2,812,912)</u>
Balance at 9/30/2022	<u>\$ 14,178,654</u>

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

The following presents the total OPEB liability of the City calculated using the discount rate of 4.77%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.77%) or 1% higher (5.77%) than the current rate. This is also calculated using healthcare cost trend rates.

Discount Rate Sensitivity		
1% Decrease	Discount Rate	1% Increase
3.77%	4.77%	5.77%
\$ 15,660,504	\$ 14,178,654	\$ 12,836,370

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

Healthcare Cost Trend Rate		
1% Decrease	Discount Rate	1% Increase
6.10%	7.10%	8.10%
\$ 12,328,701	\$ 14,178,654	\$ 16,372,128

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

For the year ended September 30, 2022, the City recognized the OPEB expense of \$1,408,518.

At September 30, 2022, 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	\$ 559,593	\$ 1,314
Changes of assumptions	1,571,330	4,303,098
Total	\$ 2,130,923	\$ 4,304,412

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
2023	\$ (75,390)
2024	(75,391)
2025	(294,291)
2026	(325,940)
2027	(325,942)
Thereafter	(1,076,535)
	\$ (2,173,489)

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, 2022

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. 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, 2020, 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.

Total OPEB Liability

The Utility’s Total OPEB Liability was measured as of September 30, 2022 and was determined by an actuarial valuation as of October 1, 2020.

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
Notes to Financial Statements
September 30, 2022

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, 2022
Discount Rate for Valuing Liabilities	4.77% 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.

	Texarkana, Texas
	Water Utilities
Balance as of 9/30/2021	\$ 937,331
Changes for the year:	
Service cost	40,344
Interest on total OPEB liability	22,669
Difference between expected and actual experience	-
Effect of assumptions changes or inputs	(116,184)
Benefit payments	(80,477)
Balance as of 9/30/2022	\$ 803,683

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

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 4.77%, as well as what the Utility’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.77%) or 1% higher (5.77%) than the current rate. This is also calculated using healthcare cost trend rates.

Discount Rate Sensitivity		
1% Decrease 3.77%	Discount Rate 4.77%	1% Increase 5.77%
\$ 859,879	\$ 803,683	\$ 766,087

Healthcare Cost Trend Rate		
1% Decrease 6.80/4.00%	Discount Rate 7.80/5.00%	1% Increase 8.80/6.00%
\$ 753,781	\$ 803,683	\$ 874,904

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

For the year ended September 30, 2022, the Utility recognized the OPEB expense of \$821,799.

At September 30, 2022, the Utility 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	\$ -	\$ 9,398
Changes of assumptions	41,137	647,809
Total	\$ 41,137	\$ 657,207

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
September 30, 2022

Measurement Year September 30	Deferred Outflows/(Inflows) of Resources
2023	\$ (255,150)
2024	(255,151)
2025	(20,824)
2026	(34,533)
2027	(33,814)
Thereafter	(16,598)
	<u>\$ (616,070)</u>

Note 15: 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, 2022.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

Note 16: Classification of Governmental Fund Balances

The table below presents a summary of the September 30, 2022, 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	American Rescue Plan Grant	Other Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable for:					
Loans receivable	\$ -	\$ -	\$ -	\$ 2,081,499	\$ 2,081,499
Restricted					
Court security and technology	-	-	-	472,580	472,580
Law enforcement	-	-	-	425,034	425,034
Health and welfare	5,180	-	-	1,831,817	1,836,997
Public safety radio	-	-	-	157,698	157,698
Debt service	-	84,604	-	-	84,604
Tourism	-	-	-	1,343,224	1,343,224
Capital improvements	-	-	-	3,774,210	3,774,210
Tax Increment Reinvestment Zone	-	-	-	1,917,816	1,917,816
Committed					
Economic development	-	-	-	2,115,732	2,115,732
Assigned					
Subsequent year's expenditures	7,352,241	-	-	-	7,352,241
Building maintenance	101,677	-	-	-	101,677
Personnel	576,398	-	-	-	576,398
Technology	331,148	-	-	-	331,148
Capital improvements	3,547,607	-	-	-	3,547,607
Insurance	257,964	-	-	-	257,964
Water projects	2,512,576	-	-	-	2,512,576
Grant matching	1,375,101	-	-	772,719	2,147,820
Unassigned					
General fund	20,978,636	-	-	-	20,978,636
Special revenue funds	-	-	-	(14)	(14)
Total Fund Balances (deficit)	<u>\$ 37,038,528</u>	<u>\$ 84,604</u>	<u>\$ -</u>	<u>\$ 14,892,315</u>	<u>\$ 52,015,447</u>

Note 17: 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. No amount of ad valorem taxes were abated for the fiscal year ending September 30, 2022.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2022

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, 2022.

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, 2022.

Note 18: 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 19: 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. 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.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2022

Note 20: Subsequent Events

In preparing these financial statements, management of the City of Texarkana, Texas has evaluated events and transactions for potential recognition or disclosure through July 13, 2023, the date the financial statements were available to be issued.



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Required Supplementary Information

City of Texarkana, Texas
Required Supplementary Information
September 30, 2022

TMRS PLAN #1 - Police Officers

***SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) 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	Measurement Date 12/31/2021
1. Total Pension Liability								
a. Service cost	\$ 968,730	\$ 969,892	\$ 940,760	\$ 1,006,085	\$ 1,047,904	\$ 1,003,968	\$ 998,633	\$ 1,022,657
b. Interest	2,746,753	2,842,733	2,830,664	2,946,678	3,037,916	3,106,492	3,234,448	3,370,588
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	301,510
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)	(2,369,592)
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	2,325,163
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	50,608,102
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>	<u>\$ 52,933,265</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	\$ 886,747
b. Contributions by the Employees	381,042	389,200	378,249	405,446	422,542	407,643	406,184	418,409
c. Net investment income	1,977,814	53,356	2,424,238	5,243,846	(1,276,203)	6,269,849	3,449,967	6,244,512
d. Benefit payments	(1,738,559)	(1,657,168)	(1,721,423)	(1,781,542)	(2,125,264)	(2,606,389)	(2,210,707)	(2,369,592)
e. Administrative Expenses	(20,649)	(32,500)	(27,384)	(27,176)	(24,667)	(35,436)	(22,335)	(28,909)
f. Other	(1,698)	(1,605)	(1,475)	(1,378)	(1,289)	(1,064)	(871)	198
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	5,151,365
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	47,926,784
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>	<u>\$ 53,078,149</u>
3. City's Net Pension Liability/(Asset) - 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	\$ (144,884)
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%	100.27%
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	\$ 5,963,016
6. City's Net Pension Liability/(Asset) as a Percentage of Covered	88.10%	116.10%	114.86%	50.70%	103.68%	52.37%	46.21%	-2.43%

City of Texarkana, Texas
Required Supplementary Information
September 30, 2022

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	Measurement Date 12/31/2021
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	\$ 1,290,355
b. Interest	3,070,141	3,180,026	3,199,561	3,310,801	3,461,015	3,559,680	3,684,724	3,775,681
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)	1,027,209
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)	(3,176,563)
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	2,916,682
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	57,665,711
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>	<u>\$ 60,582,393</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	\$ 1,223,299
b. Contributions by the Employees	526,260	551,597	538,593	569,621	576,359	576,955	584,485	558,064
c. Net investment income	2,202,368	59,293	2,695,784	5,722,307	(1,386,764)	6,799,718	3,768,811	6,798,069
d. Benefit payments	(2,135,093)	(2,277,497)	(2,610,374)	(2,443,517)	(2,913,332)	(2,717,867)	(2,923,425)	(3,176,563)
e. Administrative Expenses	(22,995)	(36,119)	(30,454)	(29,664)	(26,813)	(38,454)	(24,410)	(31,484)
f. Other	(1,891)	(1,784)	(1,641)	(1,504)	(1,401)	(1,156)	(952)	215
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	5,371,600
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	52,900,974
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>	<u>\$ 58,272,574</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	\$ 2,309,820
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%	89.74%	89.74%
5. Covered Payroll for Year (Estimated)	\$ 7,517,730	\$ 7,879,692	\$ 7,694,181	\$ 8,137,195	\$ 8,269,165	\$ 8,166,656	\$ 8,349,787	\$ 7,965,153
6. City's Net Pension Liability as a Percentage of Covered Payroll	76.30%	103.20%	108.40%	71.19%	114.04%	70.33%	57.06%	29.00%

City of Texarkana, Texas
Required Supplementary Information
September 30, 2022

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	Measurement Date 12/31/2021
1. Total Pension Liability								
a. Service cost	\$ 641,973	\$ 663,135	\$ 675,932	\$ 703,862	\$ 723,455	\$ 760,242	\$ 824,764	\$ 813,411
b. Interest	1,594,823	1,643,709	1,638,155	1,726,802	1,764,601	1,834,003	1,925,847	1,980,307
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)	538,510
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)	(1,539,195)
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	1,793,033
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	30,075,166
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>	<u>\$ 31,868,199</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	\$ 784,255
b. Contributions by the Employees	303,453	298,901	289,036	300,612	307,479	324,691	348,163	340,135
c. Net investment income	1,059,822	29,037	1,332,902	2,901,396	(703,751)	3,437,613	1,945,577	3,513,590
d. Benefit payments	(1,029,300)	(948,775)	(1,234,149)	(1,163,480)	(1,430,008)	(1,261,115)	(1,329,520)	(1,539,195)
e. Administrative Expenses	(11,065)	(17,687)	(15,053)	(15,035)	(13,600)	(19,425)	(12,594)	(16,261)
f. Other	(910)	(872)	(811)	(759)	(710)	(584)	(491)	112
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	3,082,636
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	27,303,714
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>\$ 27,303,714</u>	<u>\$ 30,386,350</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	2,771,452	1,481,849
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%	95.35%
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	4,889,393
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%	30.31%

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, 2022

TMRS PLAN #1 - Police Officers

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contributions	\$ 937,617	\$ 898,144	\$ 941,738	\$ 953,099	\$ 907,249	\$ 874,104	\$ 874,187	\$ 866,747
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>	<u>866,747</u>
Contribution deficiency	<u>\$ -</u>	<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	\$ 5,963,016
Contributions as a percentage of covered payroll	17.57%	16.93%	16.30%	15.97%	15.27%	15.01%	15.07%	14.54%

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

Other Information:

Notes There were no benefit changes during the year.

City of Texarkana, Texas
Required Supplementary Information
September 30, 2022

TMRS PLAN #2 - Other City Employees

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially determined contributions	\$ 1,212,706	\$ 1,178,109	\$ 1,279,683	\$ 1,403,756	\$ 1,385,213	\$ 1,393,102	\$ 1,351,764	\$ 1,301,779
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>	<u>1,301,779</u>
Contribution deficiency	<u>\$ 117</u>	<u>\$ 179</u>	<u>\$ 2,953</u>	<u>\$ 161</u>	<u>\$ -</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	\$ 7,965,153
Contributions as a percentage of covered payroll	15.80%	15.57%	15.69%	16.05%	16.05%	16.03%	15.27%	16.34%

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

24 years

Period

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

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

Other Information:

Notes

There were no benefit changes during the year.

City of Texarkana, Texas
Required Supplementary Information
September 30, 2022

TMRS PLAN #3 - Water Utilities

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contributions	\$ 726,542	\$ 665,287	\$ 681,500	\$ 728,386	\$ 734,057	\$ 788,036	\$ 788,169	\$ 784,255
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>788,036</u>	<u>788,169</u>	<u>784,255</u>
Contribution deficiency	<u>\$ -</u>	<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	\$ 4,594,969	\$ 4,727,456	\$ 4,859,078
Contributions as a percentage of covered payroll	16.98%	16.08%	16.10%	16.54%	16.23%	17.15%	16.67%	16.14%

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 2.5%
 Salary Increases 3.50% to 11.50% including inflation
 Investment Rate of Return 6.75%
 Retirement Age Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018

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

Other Information:

Notes There were no benefit changes during the year.

City of Texarkana, Texas
Required Supplementary Information
September 30, 2022

TEXARKANA FIREFIGHTER'S RELIEF AND RETIREMENT
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE LAST 10 FISCAL YEARS¹

	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	Fiscal Year Ending 9/30/2022
1. Total Pension Liability							
a. Service cost	\$ 905,833	\$ 843,503	\$ 944,560	\$ 961,601	\$ 992,853	\$ 919,951	\$ 947,550
b. Interest	2,879,964	2,901,750	2,974,938	3,129,584	3,236,869	3,340,094	3,452,600
d. Differences between expected and actual experience	(827,723)	-	140,001	-	(950,811)	-	(203,584)
e. Changes of assumptions	(51,030)	-	109,232	-	1,569,361	-	453,658
f. Benefit payments	(2,545,333)	(2,581,866)	(2,386,385)	(2,829,940)	(2,646,298)	(2,539,341)	(3,075,261)
g. Net Change in Total Pension Liability	361,711	1,163,387	1,782,346	1,261,245	2,201,974	1,720,704	1,574,963
h. Total Pension Liability - Beginning	37,527,657	37,889,368	39,052,755	40,835,101	42,096,346	44,298,320	46,019,024
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>	<u>\$ 47,593,987</u>
2. Plan Fiduciary Net Position							
a. Contributions by the City	\$ 795,780	\$ 830,234	\$ 850,654	\$ 838,370	\$ 852,163	\$ 893,720	\$ 886,599
b. Contributions by the firefighters	550,925	574,778	571,029	581,331	589,959	618,424	613,799
c. Net investment income	(1,001,621)	2,020,384	4,088,103	(1,980,962)	6,308,211	5,603,285	4,626,713
d. Benefit payments	(2,545,333)	(2,581,866)	(2,386,385)	(2,829,940)	(2,646,298)	(2,539,341)	(3,075,261)
e. Administrative Expenses	(24,699)	(85,879)	(81,576)	(72,289)	(57,061)	(61,374)	(58,983)
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	2,992,867
h. Plan Fiduciary Net Position - Beginning	33,244,477	31,019,529	31,777,180	34,819,005	31,355,515	36,402,489	40,917,203
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>	<u>\$ 43,910,070</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	\$ 3,683,917
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%	92.3%
5. Covered Payroll for Year (Estimated)	\$ 4,080,926	\$ 4,257,615	\$ 4,229,844	\$ 4,306,156	\$ 4,370,156	\$ 4,580,919	\$ 4,546,659
6. City's Net Pension Liability as a Percentage of Covered Payroll	168.3%	170.9%	142.2%	249.4%	180.7%	111.4%	81.0%

Notes to schedule:

¹ 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, 2022

TEXARKANA FIREFIGHTER'S RELIEF AND RETIREMENT

SCHEDULE OF CITY CONTRIBUTIONS FOR LAST 10 FISCAL YEARS¹

¹ 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, 2022

CITY OF TEXARKANA, TEXAS RETIREE MEDICAL PLAN

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

	2018	2019	2020	2021	2022
Total OPEB Liability - beginning of year	\$ 10,224,149	\$ 12,366,359	\$ 13,376,374	\$ 16,475,274	\$ 16,991,566
Changes for the year:					
Service cost	361,392	572,787	721,750	927,854	1,038,212
Interest on total OPEB liability	419,812	480,257	513,554	369,441	445,696
Difference between expected and actual experience	(4,599)	-	289,960	-	432,421
Effect of assumptions changes or inputs	1,536,912	221,537	1,659,630	(501,940)	(4,487,593)
Benefits payments	<u>(171,307)</u>	<u>(264,566)</u>	<u>(85,994)</u>	<u>(279,063)</u>	<u>(241,648)</u>
Net Changes	<u>2,142,210</u>	<u>1,010,015</u>	<u>3,098,900</u>	<u>516,292</u>	<u>(2,812,912)</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>	<u>\$ 14,178,654</u>
Covered -employee payroll	\$ 17,243,844	\$ 17,473,647	\$ 18,458,299	\$ 19,302,330	\$ 19,480,132
Total OPEB liability as a percentage of covered-employee payroll	71.71%	76.55%	89.26%	88.03%	72.79%

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, 2022

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>	<u>2022</u>
Total OPEB Liability - beginning of year	\$ 2,164,869	\$ 2,212,450	\$ 943,329	\$ 1,050,916	\$ 937,331
Changes for the year:					
Service cost	100,757	102,288	42,244	44,722	40,344
Interest on total OPEB liability	82,050	96,950	34,966	23,292	22,669
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)	(116,184)
Benefit payments	<u>(23,197)</u>	<u>(27,291)</u>	<u>(53,952)</u>	<u>(52,971)</u>	<u>(80,477)</u>
Total OPEB Liability - end of year	<u>\$ 2,212,450</u>	<u>\$ 943,329</u>	<u>\$ 1,050,916</u>	<u>\$ 937,331</u>	<u>\$ 803,683</u>
Covered -employee payroll	\$ 3,074,789	\$ 3,404,967	\$ 4,056,515	\$ 3,952,537	\$ 4,323,935
Total OPEB liability as a percentage of covered-employee payroll	71.95%	27.70%	25.91%	23.71%	18.59%

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 2.43% to 4.77% for 2022.

City of Texarkana, Texas
Required Supplementary Information
September 30, 2022

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.

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.

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.

City of Texarkana, Texas
Required Supplementary Information
September 30, 2022

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.

TIFMAS Grant Fund – The Fire Department is a participant in the Texas Intrastate Mutual Aid System (TIFMAS) which is a system made up of departments that are willing to share resources on a statewide level when a jurisdiction's response capability is overwhelmed. When incidents occur, resources are requested to deploy from various divisions across the state. The participants of TIFMAS then deploy with city-owned equipment. All costs associated with deployments are reimbursed by the State of Texas. This program captures 50% of the reimbursement for the use of city-owned vehicles during TIFMAS deployments. The funds are then used by the Fire Department to purchase needed equipment that could not be acquired within the normal operating budget.

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.

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.

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.

City of Texarkana, Texas
Required Supplementary Information
September 30, 2022

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.

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.

City of Texarkana, Texas
Required Supplementary Information
September 30, 2022

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.

City of Texarkana, Texas
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2022

Special Revenue Funds							
	Housing and Community Development	HOME	Theatre	Hotel/ Motel Tax	Housing	Economic Development	Law Enforcement Block Grant
ASSETS							
Cash	\$ 196,666	\$ 70,326	\$ 804,408	\$ 1,347,225	\$ 26,440	\$ 2,086,387	\$ 1,158
Investments - certificates of deposit	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectible):							
Property taxes	-	-	-	-	-	-	-
Other taxes	-	-	-	200,046	-	-	-
Accounts	-	-	-	-	-	36,265	-
Other government agencies	142,110	-	-	-	-	-	-
Accrued interest	-	-	-	-	105,579	4,574	-
Loans	47,974	1,803	-	-	440,000	173,169	-
Due from other funds	1,430,368	-	-	3,500	-	-	-
TOTAL ASSETS	<u>\$ 1,817,118</u>	<u>\$ 72,129</u>	<u>\$ 804,408</u>	<u>\$ 1,550,771</u>	<u>\$ 572,019</u>	<u>\$ 2,300,395</u>	<u>\$ 1,158</u>
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ 13,058	\$ 319	\$ 52,290	\$ 207,547	\$ -	\$ 6,920	\$ 470
Contracts payable	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	305,579	-	-	-	-	-	-
Other liabilities and escrow deposits	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>318,637</u>	<u>319</u>	<u>52,290</u>	<u>207,547</u>	<u>-</u>	<u>6,920</u>	<u>470</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	-	-	-	-	-
Unavailable revenue - interest	-	-	-	-	105,580	4,574	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,580</u>	<u>4,574</u>	<u>-</u>
FUND BALANCES							
Nonspendable	47,974	1,803	-	-	440,000	173,169	-
Restricted	1,450,507	70,007	-	1,343,224	26,439	-	688
Committed	-	-	-	-	-	2,115,732	-
Assigned	-	-	752,118	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCE	<u>1,498,481</u>	<u>71,810</u>	<u>752,118</u>	<u>1,343,224</u>	<u>466,439</u>	<u>2,288,901</u>	<u>688</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,817,118</u>	<u>\$ 72,129</u>	<u>\$ 804,408</u>	<u>\$ 1,550,771</u>	<u>\$ 572,019</u>	<u>\$ 2,300,395</u>	<u>\$ 1,158</u>

City of Texarkana, Texas
Combining Balance Sheet – Nonmajor Governmental Funds (Continued)
September 30, 2022

Special Revenue Funds						
Law Enforcement Programs	Donations	TIRZ #1	Public Safety Radio	Rotary Splash Park	CDBG Revolving Loans	NEA Grant
\$ 74,628	\$ 86,583	2,274,472	\$ 157,563	\$ 5	\$ -	\$ 3,563
-	-	-	-	-	-	-
-	-	36,915	-	-	-	-
-	-	1,327	-	-	-	-
-	-	-	135	-	-	-
-	-	355,077	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	6,000	-	-	-	-	5,937
<u>\$ 74,628</u>	<u>\$ 92,583</u>	<u>\$ 2,667,791</u>	<u>\$ 157,698</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 9,500</u>
\$ -	\$ 429	-	\$ -	\$ -	\$ -	\$ -
-	-	326,813	-	-	-	-
-	-	-	-	-	-	-
-	-	15,415	-	-	-	9,500
-	-	17,749	-	-	-	-
<u>-</u>	<u>429</u>	<u>359,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,500</u>
-	-	389,998	-	-	-	-
<u>-</u>	<u>-</u>	<u>389,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
74,628	92,154	1,917,816	157,698	5	-	-
-	-	-	-	-	-	-
<u>74,628</u>	<u>92,154</u>	<u>1,917,816</u>	<u>157,698</u>	<u>5</u>	<u>-</u>	<u>-</u>
<u>\$ 74,628</u>	<u>\$ 92,583</u>	<u>\$ 2,667,791</u>	<u>\$ 157,698</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 9,500</u>

(continued)

City of Texarkana, Texas
Combining Balance Sheet – Nonmajor Governmental Funds (Continued)
September 30, 2022

	Special Revenue Funds						
	COC Homeless Assistance Grant	CDBG 108 Loan	EPA Revolving Loan Grant	TIFMAS Grant	NRDA Grant	Farmers Market	Trail Grant
ASSETS							
Cash	\$ 30,186	\$ 20,601	\$ 887	\$ 69,132	\$ -	\$ 132,996	\$ 54,650
Investments - certificates of deposit	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectible):							
Property taxes	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-
Accounts	-	-	-	-	101,565	500	-
Other government agencies	20,926	-	1,358	755,469	-	6,779	-
Accrued interest	-	61,291	45,380	-	-	-	-
Loans	-	1,429,000	1,418,553	-	-	-	-
Due from other funds	-	-	-	-	-	-	9,971
TOTAL ASSETS	<u>\$ 51,112</u>	<u>\$ 1,510,892</u>	<u>\$ 1,466,178</u>	<u>\$ 824,601</u>	<u>\$ 101,565</u>	<u>\$ 140,275</u>	<u>\$ 64,621</u>
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ 4,794	\$ -	\$ -	3,684	\$ -	\$ 8,336	\$ -
Contracts payable	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	44,725	1,429,000	2,259	666,022	101,565	120,912	64,621
Other liabilities and escrow deposits	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>49,519</u>	<u>1,429,000</u>	<u>2,259</u>	<u>669,706</u>	<u>101,565</u>	<u>129,248</u>	<u>64,621</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	-	-	-	-	-
Unavailable revenue - interest	-	61,291	45,380	-	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>61,291</u>	<u>45,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	1,418,553	-	-	-	-
Restricted	1,593	-	-	154,895	-	11,027	-
Committed	-	-	-	-	-	-	-
Assigned	-	20,601	-	-	-	-	-
Unassigned	-	-	(14)	-	-	-	-
TOTAL FUND BALANCE	<u>1,593</u>	<u>20,601</u>	<u>1,418,539</u>	<u>154,895</u>	<u>-</u>	<u>11,027</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 51,112</u>	<u>\$ 1,510,892</u>	<u>\$ 1,466,178</u>	<u>\$ 824,601</u>	<u>\$ 101,565</u>	<u>\$ 140,275</u>	<u>\$ 64,621</u>

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City of Texarkana, Texas
Combining Balance Sheet – Nonmajor Governmental Funds (Continued)
September 30, 2022

	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	
ASSETS								
Cash	\$ 1,977	\$ -	\$ 182,946	\$ 459,529	\$ 36,358	\$ 13,099	\$ 135,365	\$ 25,013
Investments - certificates of deposit	-	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectible):								
Property taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Other government agencies	-	273,142	999	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 1,977</u>	<u>\$ 273,142</u>	<u>\$ 183,945</u>	<u>\$ 459,529</u>	<u>\$ 36,358</u>	<u>\$ 13,099</u>	<u>\$ 135,365</u>	<u>\$ 25,013</u>
LIABILITIES AND FUND BALANCES								
Accounts payable	-	-	-	-	-	-	-	-
Contracts payable	-	-	-	-	-	-	-	-
Accrued payroll	-	-	-	48	-	-	-	-
Due to other funds	-	273,142	-	-	-	-	6,371	-
Other liabilities and escrow deposits	1,556	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>1,556</u>	<u>273,142</u>	<u>-</u>	<u>48</u>	<u>-</u>	<u>-</u>	<u>6,371</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-
Unavailable revenue - interest	-	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	421	-	183,945	459,481	36,358	13,099	128,994	25,013
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCE	<u>421</u>	<u>-</u>	<u>183,945</u>	<u>459,481</u>	<u>36,358</u>	<u>13,099</u>	<u>128,994</u>	<u>25,013</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,977</u>	<u>\$ 273,142</u>	<u>\$ 183,945</u>	<u>\$ 459,529</u>	<u>\$ 36,358</u>	<u>\$ 13,099</u>	<u>\$ 135,365</u>	<u>\$ 25,013</u>

City of Texarkana, Texas
Combining Balance Sheet – Nonmajor Governmental Funds (Continued)
September 30, 2022

Special Revenue Funds		Capital Project Funds				Total
Inclusive Playground at Spring Lake	Total Special Revenue	2005 Bond	2017 Bond	2019 TIRZ Bond	Total Capital Projects	Nonmajor Governmental Fund
\$ 177	\$ 8,292,340	\$ -	\$ 2,932,503	841,295	\$ 3,773,798	\$ 12,066,138
-	-	-	-	-	-	-
-	36,915	-	-	-	-	36,915
-	201,373	-	-	-	-	201,373
-	138,465	-	-	-	-	138,465
-	1,555,860	-	-	-	-	1,555,860
-	216,824	-	412	-	412	217,236
-	3,510,499	-	-	-	-	3,510,499
-	1,455,776	-	-	-	-	1,455,776
<u>\$ 177</u>	<u>\$ 15,408,052</u>	<u>\$ -</u>	<u>\$ 2,932,915</u>	<u>\$ 841,295</u>	<u>\$ 3,774,210</u>	<u>\$ 19,182,262</u>
-	297,847	\$ -	\$ -	\$ -	\$ -	\$ 297,847
-	326,813	-	-	-	-	326,813
-	48	-	-	-	-	48
-	3,039,111	-	-	-	-	3,039,111
-	19,305	-	-	-	-	19,305
-	<u>3,683,124</u>	-	-	-	-	<u>3,683,124</u>
-	389,998	-	-	-	-	389,998
-	216,825	-	-	-	-	216,825
-	<u>606,823</u>	-	-	-	-	<u>606,823</u>
-	2,081,499	-	-	-	-	2,081,499
177	6,148,169	-	2,932,915	841,295	3,774,210	9,922,379
-	2,115,732	-	-	-	-	2,115,732
-	772,719	-	-	-	-	772,719
-	(14)	-	-	-	-	(14)
<u>177</u>	<u>11,118,105</u>	<u>-</u>	<u>2,932,915</u>	<u>841,295</u>	<u>3,774,210</u>	<u>14,892,315</u>
<u>\$ 177</u>	<u>\$ 15,408,052</u>	<u>\$ -</u>	<u>\$ 2,932,915</u>	<u>\$ 841,295</u>	<u>\$ 3,774,210</u>	<u>\$ 19,182,262</u>

(concluded)

City of Texarkana, Texas
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance – Nonmajor Governmental Funds
Year Ended September 30, 2022

	Special Revenue Funds					
	Housing and Community Development	HOME	Theatre	Hotel/ Motel Tax	Housing	Economic Development
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes-other	-	-	-	1,828,022	-	-
Franchise receipts	-	-	-	-	-	357,872
Charges for services	-	-	62,233	-	-	-
Grants and entitlements	496,684	-	-	-	-	-
Interest and dividends	2,245	1,392	12,414	24,623	815	35,567
Intergovernmental	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>498,929</u>	<u>1,392</u>	<u>74,647</u>	<u>1,852,645</u>	<u>815</u>	<u>393,439</u>
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	220,995
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	351,701	619,519	-	-
Health and welfare	162,884	-	-	-	-	-
Capital outlay	-	-	52,188	-	-	-
Debt service	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total expenditures	<u>162,884</u>	<u>-</u>	<u>403,889</u>	<u>619,519</u>	<u>-</u>	<u>220,995</u>
Excess (deficiency) of revenues over expenditures	<u>336,045</u>	<u>1,392</u>	<u>(329,242)</u>	<u>1,233,126</u>	<u>815</u>	<u>172,444</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	221,402	-	325,000	-	-	-
Transfers out	-	-	(336)	(820,799)	-	-
Proceeds from issuance of debt	-	-	-	-	-	-
Certificates of obligation bonds issued	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Total other financing sources (uses)	<u>221,402</u>	<u>-</u>	<u>324,664</u>	<u>(820,799)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	557,447	1,392	(4,578)	412,327	815	172,444
Fund balance at beginning 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>
Fund balance at end of year	<u>\$ 1,498,481</u>	<u>\$ 71,810</u>	<u>\$ 752,118</u>	<u>\$ 1,343,224</u>	<u>\$ 466,439</u>	<u>\$ 2,288,901</u>

City of Texarkana, Texas
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance – Nonmajor Governmental Funds (Continued)
Year Ended September 30, 2022

Special Revenue Funds							
Law Enforcement Block Grant	Law Enforcement Programs	Donations	TIRZ #1	Public Safety Radio	Rotary Splash Park	CDBG Revolving Loans	NEA Grant
\$ -	\$ -	\$ -	\$ 663,295	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	12,633	-	-	-	-	-	-
44	945	1,476	37,868	3,518	-	1,122	-
20,008	-	-	-	34,830	-	-	-
-	-	77,460	374,263	-	-	-	-
<u>20,052</u>	<u>13,578</u>	<u>78,936</u>	<u>1,075,426</u>	<u>38,348</u>	<u>-</u>	<u>1,122</u>	<u>-</u>
-	-	-	-	-	-	-	-
20,862	1,800	-	-	73,888	-	-	-
-	-	-	740,140	-	-	-	-
-	-	44,888	-	-	-	-	-
-	-	-	423,749	-	-	-	-
-	-	-	-	-	-	-	-
<u>20,862</u>	<u>1,800</u>	<u>44,888</u>	<u>1,163,889</u>	<u>73,888</u>	<u>-</u>	<u>-</u>	<u>-</u>
(810)	11,778	34,048	(88,463)	(35,540)	-	1,122	-
-	-	-	-	47,880	-	-	-
-	-	-	(808,450)	-	-	(221,812)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(808,450)</u>	<u>47,880</u>	<u>-</u>	<u>(221,812)</u>	<u>-</u>
(810)	11,778	34,048	(896,913)	12,340	-	(220,690)	-
1,498	62,850	58,106	2,814,729	145,358	5	220,690	-
<u>\$ 688</u>	<u>\$ 74,628</u>	<u>\$ 92,154</u>	<u>\$ 1,917,816</u>	<u>\$ 157,698</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

City of Texarkana, Texas
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds (Continued)
Year Ended September 30, 2022

	Special Revenue Funds						
	COC Homeless Assistance Grant	CDBG 108 Loan	EPA Revolving Loan Grant	TIFMAS Grant	NRDA Grant	Farmers Market	Trail Grant
REVENUES:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes-other	-	-	-	-	-	-	-
Franchise receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Grants and entitlements	197,636	-	3,883	-	-	-	-
Interest and dividends	-	6,874	-	104	-	2,288	-
Intergovernmental	-	-	-	799,986	101,565	115,309	36,255
Other	-	-	-	6,609	-	8,071	-
Total revenues	<u>197,636</u>	<u>6,874</u>	<u>3,883</u>	<u>806,699</u>	<u>101,565</u>	<u>125,668</u>	<u>36,255</u>
EXPENDITURES:							
Current:							
General government	-	-	-	-	44,175	37,613	-
Public safety	-	-	-	715,751	-	-	-
Public Works	-	-	-	-	153,900	-	-
Parks and recreation	-	-	-	-	-	-	-
Health and welfare	263,509	-	71,726	-	14,180	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	232,643	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total expenditures	<u>263,509</u>	<u>232,643</u>	<u>71,726</u>	<u>715,751</u>	<u>212,255</u>	<u>37,613</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(65,873)</u>	<u>(225,769)</u>	<u>(67,843)</u>	<u>90,948</u>	<u>(110,690)</u>	<u>88,055</u>	<u>36,255</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	65,873	-	68,024	63,947	808	1,612	-
Transfers out	-	-	-	-	-	-	-
Proceeds from issuance of debt	-	-	-	-	-	-	-
Certificates of obligation bonds issued	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>65,873</u>	<u>-</u>	<u>68,024</u>	<u>63,947</u>	<u>808</u>	<u>1,612</u>	<u>-</u>
Net change in fund balances	-	(225,769)	181	154,895	(109,882)	89,667	36,255
Fund balances at beginning 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>
Fund balances at end of year	<u>\$ 1,593</u>	<u>\$ 20,601</u>	<u>\$ 1,418,539</u>	<u>\$ 154,895</u>	<u>\$ -</u>	<u>\$ 11,027</u>	<u>\$ -</u>

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City of Texarkana, Texas
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds (Continued)
Year Ended September 30, 2022

	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	
REVENUES:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes-other	-	-	-	-	-	-	-	-
Franchise receipts	-	-	-	-	-	-	-	-
Charges for services	-	-	-	20,298	-	16,834	-	-
Grants and entitlements	-	-	-	-	-	-	-	-
Interest and dividends	98	-	4,579	9,403	507	59	1,838	-
Intergovernmental	-	273,142	-	-	-	-	-	47,500
Other	-	-	59,328	-	-	-	-	-
Total revenues	<u>98</u>	<u>273,142</u>	<u>63,907</u>	<u>29,701</u>	<u>507</u>	<u>16,893</u>	<u>1,838</u>	<u>47,500</u>
EXPENDITURES:								
Current:								
General government	10,480	387,982	-	3,764	-	-	-	-
Public safety	-	-	21,555	223	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	25,363
Health and welfare	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	25,990	-	-
Debt service	-	-	-	-	-	-	-	-
Miscellaneous	-	-	20,449	-	-	-	-	-
Total expenditures	<u>10,480</u>	<u>387,982</u>	<u>42,004</u>	<u>3,987</u>	<u>-</u>	<u>25,990</u>	<u>-</u>	<u>25,363</u>
Excess (deficiency) of revenues over expenditures	<u>(10,382)</u>	<u>(114,840)</u>	<u>21,903</u>	<u>25,714</u>	<u>507</u>	<u>(9,097)</u>	<u>1,838</u>	<u>22,137</u>
OTHER FINANCING SOURCES (USES):								
Transfers in	-	129,082	-	-	-	50,000	-	-
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>129,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,884</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(10,382)</u>	<u>14,242</u>	<u>21,903</u>	<u>25,714</u>	<u>507</u>	<u>37,787</u>	<u>1,838</u>	<u>22,137</u>
Fund balances at beginning 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>
Fund balances at end of year	<u>\$ 421</u>	<u>\$ -</u>	<u>\$ 183,945</u>	<u>\$ 459,481</u>	<u>\$ 36,358</u>	<u>\$ 13,099</u>	<u>\$ 128,994</u>	<u>\$ 25,013</u>

City of Texarkana, Texas
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds (Continued)
Year Ended September 30, 2022

Special Revenue Funds		Capital Projects Funds				Total Nonmajor Governmental Fund
Inclusive Playground at Spring Lake	Total Special Revenue	2005 Bond	2017 Bond	2019 TIRZ Bond	Total Capital Projects	
\$ -	\$ 663,295	\$ -	\$ -	\$ -	\$ -	\$ 663,295
-	1,828,022	-	-	-	-	1,828,022
-	357,872	-	-	-	-	357,872
-	99,365	-	-	-	-	99,365
-	710,836	-	-	-	-	710,836
242	148,021	41	35,544	16,425	52,010	200,031
-	1,428,595	-	-	-	-	1,428,595
34,471	560,202	-	-	-	-	560,202
<u>34,713</u>	<u>5,796,208</u>	<u>41</u>	<u>35,544</u>	<u>16,425</u>	<u>52,010</u>	<u>5,848,218</u>
-	705,009	-	-	-	-	705,009
-	834,079	-	-	-	-	834,079
-	894,040	-	-	-	-	894,040
124,386	1,120,969	-	-	-	-	1,120,969
-	557,187	-	-	-	-	557,187
-	501,927	-	221,302	918,226	1,139,528	1,641,455
-	232,643	-	-	-	-	232,643
-	20,449	-	-	-	-	20,449
<u>124,386</u>	<u>4,866,303</u>	<u>-</u>	<u>221,302</u>	<u>918,226</u>	<u>1,139,528</u>	<u>6,005,831</u>
<u>(89,673)</u>	<u>929,905</u>	<u>41</u>	<u>(185,758)</u>	<u>(901,801)</u>	<u>(1,087,518)</u>	<u>(157,613)</u>
25,000	998,628	-	-	-	-	998,628
-	(1,854,513)	(6,708)	-	-	(6,708)	(1,861,221)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>25,000</u>	<u>(855,885)</u>	<u>(6,708)</u>	<u>-</u>	<u>-</u>	<u>(6,708)</u>	<u>(862,593)</u>
(64,673)	74,020	(6,667)	(185,758)	(901,801)	(1,094,226)	(1,020,206)
<u>64,850</u>	<u>11,044,085</u>	<u>6,667</u>	<u>3,118,673</u>	<u>1,743,096</u>	<u>4,868,436</u>	<u>15,912,521</u>
<u>\$ 177</u>	<u>\$ 11,118,105</u>	<u>\$ -</u>	<u>\$ 2,932,915</u>	<u>\$ 841,295</u>	<u>\$ 3,774,210</u>	<u>\$ 14,892,315</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Grants and entitlements	\$ 729,839	\$ 521,096	\$ 496,684	\$ (24,412)
Total revenues	<u>729,839</u>	<u>521,096</u>	<u>498,929</u>	<u>(22,167)</u>
EXPENDITURES:				
Current:				
Health and welfare	729,839	521,096	162,884	358,212
Total expenditures	<u>729,839</u>	<u>521,096</u>	<u>162,884</u>	<u>358,212</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>336,045</u>	<u>336,045</u>
OTHER FINANCING SOURCES/USES				
Transfers in	-	-	221,402	221,402
Total other financing sources/uses	<u>-</u>	<u>-</u>	<u>221,402</u>	<u>221,402</u>
Net change in fund balance	-	-	557,447	557,447
Fund balance at beginning of year	941,034	941,034	941,034	-
	<u>\$ 941,034</u>	<u>\$ 941,034</u>	<u>\$ 1,498,481</u>	<u>\$ 557,447</u>

City of Texarkana, Texas
Home Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest and dividends	\$ 700	\$ 900	\$ 1,392	\$ 492
Total revenues	<u>700</u>	<u>900</u>	<u>1,392</u>	<u>492</u>
EXPENDITURES:				
Current:				
Miscellaneous	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>700</u>	<u>900</u>	<u>1,392</u>	<u>492</u>
Net change in fund balance	700	900	1,392	492
Fund balance at beginning of year	<u>70,418</u>	<u>70,418</u>	<u>70,418</u>	<u>-</u>
Fund balance at end of year	<u>\$ 71,118</u>	<u>\$ 71,318</u>	<u>\$ 71,810</u>	<u>\$ 492</u>

City of Texarkana, Texas
Theatre Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2022

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 55,000	\$ 51,093	\$ 62,233	\$ 11,140
Interest and dividends	11,550	6,000	12,414	6,414
Total revenues	<u>66,550</u>	<u>57,093</u>	<u>74,647</u>	<u>17,554</u>
EXPENDITURES				
Current:				
Parks and recreation	436,207	436,207	351,701	84,506
Capital outlay	<u>150,000</u>	<u>150,000</u>	<u>52,188</u>	<u>97,812</u>
Total expenditures	<u>586,207</u>	<u>586,207</u>	<u>403,889</u>	<u>182,318</u>
Excess (deficiency) of revenues over expenditures	<u>(519,657)</u>	<u>(529,114)</u>	<u>(329,242)</u>	<u>199,872</u>
OTHER FINANCING SOURCES/USES				
Transfers in	345,000	365,000	325,000	(40,000)
Transfers out	<u>(40,336)</u>	<u>(40,336)</u>	<u>(336)</u>	<u>40,000</u>
Total other financing sources/uses	<u>304,664</u>	<u>324,664</u>	<u>324,664</u>	<u>-</u>
Net change in fund balance	(214,993)	(204,450)	(4,578)	199,872
Fund balance at beginning of year	<u>756,696</u>	<u>756,696</u>	<u>756,696</u>	<u>-</u>
Fund balance at end of year	<u>\$ 541,703</u>	<u>\$ 552,246</u>	<u>\$ 752,118</u>	<u>\$ 199,872</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes-other	\$ 1,010,000	\$ 1,290,000	\$ 1,828,022	\$ 538,022
Interest and dividends	3,200	15,375	24,623	9,248
Other	404,000	520,000	-	(520,000)
Total revenues	<u>1,417,200</u>	<u>1,825,375</u>	<u>1,852,645</u>	<u>27,270</u>
EXPENDITURES				
Current:				
Parks and recreation	<u>852,022</u>	<u>679,198</u>	<u>619,519</u>	<u>59,679</u>
Total expenditures	<u>852,022</u>	<u>679,198</u>	<u>619,519</u>	<u>59,679</u>
Excess of revenues over expenditures	<u>565,178</u>	<u>1,146,177</u>	<u>1,233,126</u>	<u>86,949</u>
OTHER FINANCING USES				
Transfers out	<u>(779,798)</u>	<u>(799,798)</u>	<u>(820,799)</u>	<u>(21,001)</u>
Total other financing uses	<u>(779,798)</u>	<u>(799,798)</u>	<u>(820,799)</u>	<u>(21,001)</u>
Net change in fund balance	(214,620)	346,379	412,327	65,948
Fund balance at beginning of year	<u>930,897</u>	<u>930,897</u>	<u>930,897</u>	<u>-</u>
Fund balance at end of year	<u>\$ 716,277</u>	<u>\$ 1,277,276</u>	<u>\$ 1,343,224</u>	<u>\$ 65,948</u>

City of Texarkana, Texas
Housing Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest and dividends	\$ 1,000	\$ 250	\$ 815	\$ 565
Total revenues	<u>1,000</u>	<u>250</u>	<u>815</u>	<u>565</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,000	250	815	565
Fund balance at beginning of year	<u>465,624</u>	<u>465,624</u>	<u>465,624</u>	<u>-</u>
Fund balance at end of year	<u>\$ 466,624</u>	<u>\$ 465,874</u>	<u>\$ 466,439</u>	<u>\$ 565</u>

City of Texarkana, Texas
Economic Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Franchise receipts	\$ 340,000	\$ 385,000	\$ 357,872	\$ (27,128)
Interest and dividends	17,600	19,332	35,567	16,235
Total revenues	<u>357,600</u>	<u>404,332</u>	<u>393,439</u>	<u>(10,893)</u>
EXPENDITURES				
Current:				
General government	1,089,650	255,748	220,995	34,753
Total expenditures	<u>1,089,650</u>	<u>255,748</u>	<u>220,995</u>	<u>34,753</u>
Excess (deficiency) of revenues over expenditures	<u>(732,050)</u>	<u>148,584</u>	<u>172,444</u>	<u>23,860</u>
OTHER FINANCING USES				
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(732,050)	148,584	172,444	23,860
Fund balance at beginning of year	<u>2,116,457</u>	<u>2,116,457</u>	<u>2,116,457</u>	<u>-</u>
	<u>\$ 1,384,407</u>	<u>\$ 2,265,041</u>	<u>\$ 2,288,901</u>	<u>\$ 23,860</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 25,000	\$ 20,478	\$ 20,008	\$ (470)
Interest and dividends	-	31	44	13
Total revenues	<u>25,000</u>	<u>20,509</u>	<u>20,052</u>	<u>(457)</u>
EXPENDITURES				
Current:				
Public safety	<u>25,000</u>	<u>22,007</u>	<u>20,862</u>	<u>1,145</u>
Total expenditures	<u>25,000</u>	<u>22,007</u>	<u>20,862</u>	<u>1,145</u>
Net change in fund balance	-	(1,498)	(810)	688
Fund balance at beginning of year	<u>1,498</u>	<u>1,498</u>	<u>1,498</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,498</u>	<u>\$ -</u>	<u>\$ 688</u>	<u>\$ 688</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest and dividends	\$ 500	\$ 700	\$ 945	\$ 245
Grants and entitlements	5,900	11,508	12,633	1,125
Total revenues	<u>6,400</u>	<u>12,208</u>	<u>13,578</u>	<u>1,370</u>
EXPENDITURES				
Current:				
Public safety	<u>21,500</u>	<u>22,000</u>	<u>1,800</u>	<u>20,200</u>
Total expenditures	<u>21,500</u>	<u>22,000</u>	<u>1,800</u>	<u>20,200</u>
Net change in fund balance	(15,100)	(9,792)	11,778	21,570
Fund balance at beginning of year	<u>62,850</u>	<u>62,850</u>	<u>62,850</u>	<u>-</u>
Fund balance at end of year	<u>\$ 47,750</u>	<u>\$ 53,058</u>	<u>\$ 74,628</u>	<u>\$ 21,570</u>

City of Texarkana, Texas
Donations Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest and dividends	\$ 250	\$ 650	\$ 1,476	\$ 826
Other	30,000	70,000	77,460	7,460
Total revenues	<u>30,250</u>	<u>70,650</u>	<u>78,936</u>	<u>8,286</u>
EXPENDITURES				
Current:				
Health and welfare	30,250	86,500	44,888	41,612
Total expenditures	<u>30,250</u>	<u>86,500</u>	<u>44,888</u>	<u>41,612</u>
OTHER FINANCING USES				
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(15,850)	34,048	49,898
Fund balance at beginning of year	<u>58,106</u>	<u>58,106</u>	<u>58,106</u>	<u>-</u>
Fund balance at end of year	<u>\$ 58,106</u>	<u>\$ 42,256</u>	<u>\$ 92,154</u>	<u>\$ 49,898</u>

City of Texarkana, Texas
DEAAG Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 516,670	\$ 273,142	\$ (243,528)
Total revenues	<u>-</u>	<u>516,670</u>	<u>273,142</u>	<u>(243,528)</u>
EXPENDITURES				
Current				
Public Safety	-	516,670	387,982	128,688
Total expenditures	<u>-</u>	<u>516,670</u>	<u>387,982</u>	<u>128,688</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>-</u>	<u>(114,840)</u>	<u>(114,840)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	14,242	129,082	114,840
Total other financing sources (uses)	<u>-</u>	<u>14,242</u>	<u>129,082</u>	<u>114,840</u>
Net change in fund balance	-	14,242	14,242	-
Fund balances at beginning of year	<u>(14,242)</u>	<u>(14,242)</u>	<u>(14,242)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (14,242)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Texarkana, Texas
TIRZ #1 Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 681,527	\$ 680,882	\$ 663,295	\$ (17,587)
Interest and dividends	25,000	30,000	37,868	7,868
Other	410,292	355,077	374,263	19,186
Total revenues	<u>1,116,819</u>	<u>1,065,959</u>	<u>1,075,426</u>	<u>9,467</u>
EXPENDITURES				
Current:				
Public Works	500	500	740,140	(739,640)
Capital outlay	1,629,716	1,520,143	423,749	1,096,394
Total expenditures	<u>1,630,216</u>	<u>1,520,643</u>	<u>1,163,889</u>	<u>356,754</u>
Excess (deficiency) of revenues over expenditures	<u>(513,397)</u>	<u>(454,684)</u>	<u>(88,463)</u>	<u>366,221</u>
OTHER FINANCING SOURCES/USES				
Transfers out	(806,450)	(806,450)	(808,450)	(2,000)
Total other financing sources/uses	<u>(806,450)</u>	<u>(806,450)</u>	<u>(808,450)</u>	<u>(2,000)</u>
Net change in fund balance	(1,319,847)	(1,261,134)	(896,913)	364,221
Fund balance at beginning of year	<u>2,814,729</u>	<u>2,814,729</u>	<u>2,814,729</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,494,882</u>	<u>\$ 1,553,595</u>	<u>\$ 1,917,816</u>	<u>\$ 364,221</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest and dividends	\$ 1,100	\$ 1,700	\$ 3,518	\$ 1,818
Intergovernmental	58,995	55,980	34,830	(21,150)
Total revenues	<u>60,095</u>	<u>57,680</u>	<u>38,348</u>	<u>(19,332)</u>
EXPENDITURES				
Public safety	74,015	74,015	73,888	127
Total expenditures	<u>74,015</u>	<u>74,015</u>	<u>73,888</u>	<u>127</u>
Excess (deficiency) of revenues over expenditures	<u>(13,920)</u>	<u>(16,335)</u>	<u>(35,540)</u>	<u>(19,205)</u>
OTHER FINANCING SOURCES/USES				
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	33,960	31,545	12,340	(19,205)
Fund balance at beginning of year	<u>145,358</u>	<u>145,358</u>	<u>145,358</u>	<u>-</u>
Fund balance at end of year	<u>\$ 179,318</u>	<u>\$ 176,903</u>	<u>\$ 157,698</u>	<u>\$ (19,205)</u>

City of Texarkana, Texas
TIFMAS Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 120,000	\$ 799,986	\$ 679,986
Other	-	-	6,713	6,713
Total revenues	<u>-</u>	<u>120,000</u>	<u>806,699</u>	<u>686,699</u>
EXPENDITURES				
Public safety	<u>6,718</u>	<u>135,609</u>	<u>715,751</u>	<u>(580,142)</u>
Total expenditures	<u>6,718</u>	<u>135,609</u>	<u>715,751</u>	<u>(580,142)</u>
OTHER FINANCING SOURCES/USES				
Transfers in	<u>-</u>	<u>-</u>	<u>63,947</u>	<u>63,947</u>
Total other financing sources/uses	<u>-</u>	<u>-</u>	<u>63,947</u>	<u>63,947</u>
Net change in fund balance	(6,718)	(15,609)	154,895	106,557
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ (6,718)</u>	<u>\$ (15,609)</u>	<u>\$ 154,895</u>	<u>\$ 106,557</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest and dividends	\$ -	\$ -	\$ 1,122	\$ 1,122
Total revenues	<u>-</u>	<u>-</u>	<u>1,122</u>	<u>1,122</u>
EXPENDITURES				
Current:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES/USES				
Transfers out	-	(220,690)	(221,812)	(1,122)
Total other financing sources/uses	<u>-</u>	<u>(220,690)</u>	<u>(221,812)</u>	<u>(1,122)</u>
Net change in fund balance	-	-	(220,690)	1,122
Fund balance at beginning of year	<u>220,690</u>	<u>220,690</u>	<u>220,690</u>	<u>-</u>
Fund balance at end of year	<u>\$ 220,690</u>	<u>\$ 220,690</u>	<u>\$ -</u>	<u>\$ 1,122</u>

City of Texarkana, Texas
Department of Justice COVID-19 Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Grants and entitlements	\$ -	\$ 1,556	\$ -	\$ (1,556)
Interest and dividends	-	(69)	98	167
Total revenues	<u>-</u>	<u>1,487</u>	<u>98</u>	<u>(1,389)</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ 9,316	\$ 10,480	\$ (1,164)
Total expenditures	<u>-</u>	<u>9,316</u>	<u>10,480</u>	<u>(1,164)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(7,829)</u>	<u>(10,382)</u>	<u>(2,553)</u>
OTHER FINANCING SOURCES/USES				
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	-	(7,829)	(10,382)	(2,553)
Fund balance at beginning of year	<u>10,803</u>	<u>10,803</u>	<u>10,803</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,803</u>	<u>\$ 2,974</u>	<u>\$ 421</u>	<u>\$ (2,553)</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Grants and entitlements	\$ 125,000	\$ 178,967	\$ 197,636	\$ 18,669
Total revenues	<u>125,000</u>	<u>178,967</u>	<u>197,636</u>	<u>18,669</u>
EXPENDITURES				
Current:				
Health and welfare	125,000	180,560	263,509	(82,949)
Total expenditures	<u>125,000</u>	<u>180,560</u>	<u>263,509</u>	<u>(82,949)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,593)</u>	<u>(65,873)</u>	<u>(64,280)</u>
OTHER FINANCING SOURCES/USES				
Transfers in	-	-	65,873	65,873
Total other financing sources/uses	<u>-</u>	<u>-</u>	<u>65,873</u>	<u>65,873</u>
Net change in fund balance	-	(1,593)	-	1,593
Fund balance at beginning of year	<u>1,593</u>	<u>1,593</u>	<u>1,593</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,593</u>	<u>\$ -</u>	<u>\$ 1,593</u>	<u>\$ 1,593</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest and dividends	\$ 7,100	\$ 52,734	\$ 6,874	\$ (45,860)
Total revenues	<u>7,100</u>	<u>52,734</u>	<u>6,874</u>	<u>(45,860)</u>
EXPENDITURES				
Current:				
Debt service	-	-	232,643	(232,643)
Total expenditures	<u>-</u>	<u>-</u>	<u>232,643</u>	<u>(232,643)</u>
OTHER FINANCING SOURCES				
Proceeds from issuance of debt	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	7,100	52,734	(225,769)	(278,503)
Fund balance at beginning of year	<u>246,370</u>	<u>246,370</u>	<u>246,370</u>	<u>-</u>
Fund balance at end of year	<u>\$ 253,470</u>	<u>\$ 299,104</u>	<u>\$ 20,601</u>	<u>\$ (278,503)</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Grants and entitlements	\$ 475,000	\$ 603,699	\$ 3,883	\$ (599,816)
Total revenues	<u>475,000</u>	<u>603,699</u>	<u>3,883</u>	<u>(599,816)</u>
EXPENDITURES				
Current:				
Health and welfare	475,000	585,735	71,726	514,009
Total expenditures	<u>475,000</u>	<u>585,735</u>	<u>71,726</u>	<u>514,009</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>17,964</u>	<u>(67,843)</u>	<u>(85,807)</u>
OTHER FINANCING SOURCES/USES				
Transfers in	-	-	68,024	68,024
Total other financing sources/uses	<u>-</u>	<u>-</u>	<u>68,024</u>	<u>68,024</u>
Net change in fund balance	-	17,964	181	(17,783)
Fund balance at beginning of year	<u>1,418,358</u>	<u>1,418,358</u>	<u>1,418,358</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,418,358</u>	<u>\$ 1,436,322</u>	<u>\$ 1,418,539</u>	<u>\$ (17,783)</u>

City of Texarkana, Texas
NRDA Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Grants and entitlements	\$ 9,248,500	\$ 9,381,928	\$ 101,565	\$ (9,280,363)
Total revenues	<u>9,248,500</u>	<u>9,381,928</u>	<u>101,565</u>	<u>(9,280,363)</u>
EXPENDITURES				
Current:				
Health and welfare	9,248,500	9,491,810	212,255	9,279,555
Total expenditures	<u>9,248,500</u>	<u>9,491,810</u>	<u>212,255</u>	<u>9,279,555</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(109,882)</u>	<u>(110,690)</u>	<u>(808)</u>
OTHER FINANCING SOURCES/USES				
Transfers in	-	-	808	808
Total other financing sources/uses	<u>-</u>	<u>-</u>	<u>808</u>	<u>808</u>
Net change in fund balance	-	(109,882)	(109,882)	-
Fund balance at beginning of year	<u>109,882</u>	<u>109,882</u>	<u>109,882</u>	<u>-</u>
	<u>\$ 109,882</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Texarkana, Texas
Farmers Market Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest and dividends	\$ -	\$ 400	\$ 2,288	\$ 1,888
Intergovernmental	118,800	138,317	115,309	(23,008)
Other	<u>-</u>	<u>5,000</u>	<u>8,071</u>	<u>3,071</u>
Total revenues	<u>118,800</u>	<u>143,717</u>	<u>125,668</u>	<u>(18,049)</u>
EXPENDITURES				
Current:				
General government	<u>118,800</u>	<u>51,600</u>	<u>37,613</u>	<u>13,987</u>
Total expenditures	<u>118,800</u>	<u>51,600</u>	<u>37,613</u>	<u>13,987</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>92,117</u>	<u>88,055</u>	<u>(4,062)</u>
OTHER FINANCING SOURCES/USES				
Transfers in	<u>-</u>	<u>-</u>	<u>1,612</u>	<u>1,612</u>
Total other financing sources/uses	<u>-</u>	<u>-</u>	<u>1,612</u>	<u>1,612</u>
Net change in fund balance	-	92,117	89,667	(2,450)
Fund balance at beginning of year	<u>(78,640)</u>	<u>(78,640)</u>	<u>(78,640)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (78,640)</u>	<u>\$ 13,477</u>	<u>\$ 11,027</u>	<u>\$ (2,450)</u>

City of Texarkana, Texas
Trail Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 36,255	\$ 36,255	\$ -
Total revenues	<u>-</u>	<u>36,255</u>	<u>36,255</u>	<u>-</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES/USES				
Total other financing sources/uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	36,255	36,255	-
Fund balance at beginning of year	<u>(36,255)</u>	<u>(36,255)</u>	<u>(36,255)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (36,255)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fees and permits	\$ 20,000	\$ 55,000	\$ -	\$ (55,000)
Investment earnings	2,075	3,400	4,579	1,179
Other	-	-	59,328	59,328
Total revenues	<u>22,075</u>	<u>58,400</u>	<u>63,907</u>	<u>5,507</u>
EXPENDITURES				
Current				
Public safety	<u>30,000</u>	<u>41,555</u>	<u>42,004</u>	<u>(449)</u>
Total expenditures	<u>30,000</u>	<u>41,555</u>	<u>42,004</u>	<u>(449)</u>
Excess (deficiency) of revenue over expenditures	<u>(7,925)</u>	<u>16,845</u>	<u>21,903</u>	<u>(34,086)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>10,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Total other financing sources (uses)	<u>10,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Net change in fund balance	2,075	36,845	21,903	(54,086)
Fund balances at beginning of year	<u>162,042</u>	<u>162,042</u>	<u>162,042</u>	<u>-</u>
Fund balance at end of year	<u>\$ 164,117</u>	<u>\$ 198,887</u>	<u>\$ 183,945</u>	<u>\$ (54,086)</u>

City of Texarkana, Texas
Court Security Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 18,300	\$ 17,200	\$ 20,298	\$ 3,098
Interest and dividends	5,500	6,200	9,403	3,203
Total revenues	<u>23,800</u>	<u>23,400</u>	<u>29,701</u>	<u>6,301</u>
EXPENDITURES				
Current				
General government	-	-	3,764	(3,764)
Public safety	<u>32,360</u>	<u>32,360</u>	<u>223</u>	<u>32,137</u>
Total expenditures	<u>32,360</u>	<u>32,360</u>	<u>3,987</u>	<u>28,373</u>
Excess (deficiency) of revenue over expenditures	<u>(8,560)</u>	<u>(8,960)</u>	<u>25,714</u>	<u>34,674</u>
Net change in fund balance	(8,560)	(8,960)	25,714	34,674
Fund balances at beginning of year	<u>433,767</u>	<u>433,767</u>	<u>433,767</u>	<u>-</u>
Fund balance at end of year	<u>\$ 425,207</u>	<u>\$ 424,807</u>	<u>\$ 459,481</u>	<u>\$ 34,674</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest and dividends	\$ -	\$ 380	\$ 507	\$ 127
Total revenues	<u>-</u>	<u>380</u>	<u>507</u>	<u>127</u>
EXPENDITURES				
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>380</u>	<u>507</u>	<u>127</u>
Net change in fund balance	(35,463)	380	507	127
Fund balances at beginning of year	<u>35,851</u>	<u>35,851</u>	<u>35,851</u>	<u>-</u>
Fund balance at end of year	<u>\$ 388</u>	<u>\$ 36,231</u>	<u>\$ 36,358</u>	<u>\$ 127</u>

City of Texarkana, Texas
Court Technology Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 24,400	\$ 1,500	\$ 16,834	\$ 15,334
Interest and dividends	60	-	59	59
Total revenues	<u>24,460</u>	<u>1,500</u>	<u>16,893</u>	<u>15,393</u>
EXPENDITURES				
Current				
General government	21,500	23,000	-	23,000
Capital outlay	-	-	25,990	(25,990)
Total expenditures	<u>21,500</u>	<u>23,000</u>	<u>25,990</u>	<u>(2,990)</u>
Excess (deficiency) of revenue over expenditures	<u>2,960</u>	<u>(21,500)</u>	<u>(9,097)</u>	<u>12,403</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	50,000	50,000	-
Transfers out	(3,115)	(3,116)	(3,116)	-
Total other financing sources (uses)	<u>(3,115)</u>	<u>46,884</u>	<u>46,884</u>	<u>-</u>
Net change in fund balance	(155)	25,384	37,787	12,403
Fund balances at beginning of year	<u>(24,688)</u>	<u>(24,688)</u>	<u>(24,688)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (24,843)</u>	<u>\$ 696</u>	<u>\$ 13,099</u>	<u>\$ 12,403</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest and dividends	\$ 1,200	\$ 1,300	\$ 1,838	\$ 538
Intergovernmental	10,000	10,000	-	(10,000)
Total revenues	<u>11,200</u>	<u>11,300</u>	<u>1,838</u>	<u>(9,462)</u>
EXPENDITURES				
Capital outlay	<u>30,000</u>	<u>30,000</u>	-	<u>30,000</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	-	<u>30,000</u>
Excess (deficiency) of revenue over expenditures	<u>(18,800)</u>	<u>(18,700)</u>	<u>1,838</u>	<u>20,538</u>
Net change in fund balance	(18,800)	(18,700)	1,838	20,538
Fund balances at beginning of year	<u>127,156</u>	<u>127,156</u>	<u>127,156</u>	<u>-</u>
Fund balance at end of year	<u>\$ 108,356</u>	<u>\$ 108,456</u>	<u>\$ 128,994</u>	<u>\$ 20,538</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, 2022

	Lake Texarkana Water Supply Corporation	Graphic Packaging International	Total
ASSETS			
Current assets			
Cash	\$ 783,954	\$ 4,225	\$ 788,179
Receivables (net of allowance for uncollectible)			
Accounts	-	37,500	37,500
Due from other governments	37,359	754	38,113
Total current assets	<u>821,313</u>	<u>42,479</u>	<u>863,792</u>
Noncurrent assets:			
Restricted assets:			
Accounts receivable	-	508,326	508,326
Capital assets:			
Land	-	800	800
Construction in progress	70,924	-	70,924
Total noncurrent assets	<u>70,924</u>	<u>509,126</u>	<u>580,050</u>
TOTAL ASSETS	<u>892,237</u>	<u>551,605</u>	<u>1,443,842</u>
LIABILITIES			
Current liabilities			
Accounts payable	1,368	148,944	150,312
Accrued liabilities	11,888	149,631	161,519
Total current liabilities	<u>13,256</u>	<u>298,575</u>	<u>311,831</u>
Noncurrent liabilities			
Capital improvement deposits	878,981	246,180	1,125,161
Total noncurrent liabilities	<u>878,981</u>	<u>246,180</u>	<u>1,125,161</u>
TOTAL LIABILITIES	<u>892,237</u>	<u>544,755</u>	<u>1,436,992</u>
NET POSITION			
Net investment in capital assets	70,924	800	71,724
Unrestricted	(70,924)	6,050	(64,874)
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 6,850</u>	<u>\$ 6,850</u>

City of Texarkana, Texas
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2022

	Lake Texarkana Water Supply Corporation	International Paper Company Water System Contract Fund	Total
OPERATING REVENUES			
Water sales	\$ -	\$ 1,542,552	\$ 1,542,552
Total operating revenues	<u>-</u>	<u>1,542,552</u>	<u>1,542,552</u>
OPERATING EXPENSES			
Contract water & sewer expense-International Paper	-	1,542,246	1,542,246
Total operating expense	<u>-</u>	<u>1,542,246</u>	<u>1,542,246</u>
Operating income (loss)	<u>-</u>	<u>306</u>	<u>306</u>
NONOPERATING REVENUES			
Interest revenue - investments		949	949
Total nonoperating revenues	<u>-</u>	<u>949</u>	<u>949</u>
Transfers out	-	(284)	(284)
Change in net position	-	971	971
Total net position, beginning of year	<u>-</u>	<u>5,879</u>	<u>5,879</u>
Total net position, end of year	<u>\$ -</u>	<u>\$ 6,850</u>	<u>\$ 6,850</u>

City of Texarkana, Texas
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2022

	Lake Texarkana Water Supply Corporation	Graphic Packaging International	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ -	\$ 1,328,534	\$ 1,328,534
Cash paid to suppliers	(46,183)	(1,486,192)	(1,532,375)
Net cash provided from (used by) operating activities	<u>(46,183)</u>	<u>(157,658)</u>	<u>(203,841)</u>
Cash flows from non-capital financing activities:			
Transfers paid to City general fund	<u>-</u>	<u>(284)</u>	<u>(284)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(70,924)	-	(70,924)
Capital improvement deposits received	228,000	-	228,000
Net cash used by capital and related financing activities	<u>157,076</u>	<u>-</u>	<u>157,076</u>
Cash Flows from Investing Activities			
Interest received on investments	-	949	949
Net cash provided from investing activities	<u>-</u>	<u>949</u>	<u>949</u>
Net increase (decrease) in cash	110,893	(156,993)	(46,100)
Cash, beginning of year	<u>673,061</u>	<u>161,218</u>	<u>834,279</u>
Cash, end of year	<u>\$ 783,954</u>	<u>\$ 4,225</u>	<u>\$ 788,179</u>

City of Texarkana, Texas
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2022

	Lake Texarkana Water Supply Corporation	International Paper Company Water System Contract Fund	Total
<u>Reconciliation of Operating Income (Loss) to</u>			
<u>Net Cash Provided From (Used By) Operating Activities</u>			
Operating Loss	\$ -	\$ 306	\$ 306
Adjustments to Reconcile Operating Income to			
Net Cash Provided From (Used By) Operating Activities			
(Increase) decrease in assets:			
Accounts receivable	-	(214,264)	(214,264)
Due from other governments	-	246	246
Due from other funds	(11,888)	-	(11,888)
Increase (decrease) in liabilities:			
Accounts payable	(15,999)	51,585	35,586
Accrued liabilities	(18,296)	1,507	(16,789)
Due to other funds	-	2,962	2,962
Total adjustments	(46,183)	(157,964)	(204,147)
Net cash provided from (used by) operating activities	\$ (46,183)	\$ (157,658)	\$ (203,841)



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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, 2022

	Employee Benefit	Fleet Services	Total
ASSETS			
Current assets			
Cash	\$ 1,483,627	\$ 21,847	\$ 1,505,474
Receivables (net of allowance for uncollectible)			
Accounts	143,500	-	143,500
Other government agencies	493,615	67,944	561,559
Due from other funds	-	5,916	5,916
Inventory	-	25,136	25,136
TOTAL ASSETS	2,120,742	120,843	2,241,585
LIABILITIES			
Current liabilities			
Accounts payable	513,267	50	513,317
Accrued liability	123,196	26,129	149,325
Due to other funds	4,725	-	4,725
TOTAL LIABILITIES	641,188	26,179	667,367
NET POSITION			
Unrestricted	1,479,554	94,664	1,574,218
TOTAL NET POSITION	\$ 1,479,554	\$ 94,664	\$ 1,574,218

City of Texarkana, Texas
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2022

	Employee Benefit	Fleet Services	Total
OPERATING REVENUES			
Charges for services	\$ 7,496,397	\$ 200,730	\$ 7,697,127
Other	-	123,464	123,464
Total revenues	<u>7,496,397</u>	<u>324,194</u>	<u>7,820,591</u>
OPERATING EXPENSES			
Benefit payments	7,604,532	-	7,604,532
Cost of sales and service	-	1,456,956	1,456,956
Total expenditures	<u>7,604,532</u>	<u>1,456,956</u>	<u>9,061,488</u>
Operating loss	<u>(108,135)</u>	<u>(1,132,762)</u>	<u>(1,240,897)</u>
NONOPERATING REVENUES			
Interest revenue	16,165	746	16,911
Total nonoperating revenues	<u>16,165</u>	<u>746</u>	<u>16,911</u>
Income (loss) before transfers	(91,970)	(1,132,016)	(1,223,986)
Transfers in	423,384	1,188,342	1,611,726
Transfers out	<u>-</u>	<u>(1,367)</u>	<u>(1,367)</u>
Change in net position	331,414	54,959	386,373
Total net position - beginning	<u>1,148,140</u>	<u>39,705</u>	<u>1,187,845</u>
	<u>\$ 1,479,554</u>	<u>\$ 94,664</u>	<u>\$ 1,574,218</u>

City of Texarkana, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2022

	Employee Benefit	Fleet Services	Total
Cash Flows from Operating Activities			
Cash received from users	\$ 7,717,219	\$ -	\$ 7,717,219
Cash received from interfund services provided and used	-	256,300	256,300
Cash paid to suppliers	(7,604,532)	(1,115,017)	(8,719,549)
Cash paid to employees	-	(350,767)	(350,767)
Other payments	-	(5,916)	(5,916)
Net cash provided from (used by) operating activities	<u>112,687</u>	<u>(1,215,400)</u>	<u>(1,102,713)</u>
Cash flows from Noncapital Financing Activities			
Transfers to other funds	-	(1,367)	(1,367)
Transfers in from other funds	423,384	1,188,342	1,611,726
Net cash provided from noncapital financing activities	<u>423,384</u>	<u>1,186,975</u>	<u>1,610,359</u>
Cash Flows from Investing Activities			
Interest received from investments	16,165	746	16,911
Net cash provided from investing activities	<u>16,165</u>	<u>746</u>	<u>16,911</u>
Increase (decrease) in cash	552,236	(27,679)	524,557
Cash at beginning of year	931,391	49,526	980,917
Cash at end of year	<u>\$ 1,483,627</u>	<u>\$ 21,847</u>	<u>\$ 1,505,474</u>
<u>Reconciliation of Operating Loss to Net Cash</u>			
<u>Used by Operating Activities</u>			
Operating loss	(108,135)	(1,132,762)	(1,240,897)
Adjustments to Reconcile Operating Loss to Net Cash			
Accounts receivable	125,760	-	125,760
Due from other government agencies	273,774	(67,944)	205,830
Due from other funds	101	(5,916)	(5,815)
Inventory	-	(8,078)	(8,078)
Increase in Liabilities			
Accounts payable	(19,631)	50	(19,581)
Accrued payroll	(163,869)	(750)	(164,619)
Due to other funds	4,687	-	4,687
Total adjustments	<u>220,822</u>	<u>(82,638)</u>	<u>138,184</u>
Net cash provided from (used by) operating activities	<u>\$ 112,687</u>	<u>\$ (1,215,400)</u>	<u>\$ (1,102,713)</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, 2022

	Police Evidence Escrow	Drug Escrow	Total
Assets			
Cash and cash equivalents	\$ 1,812	\$ 147,043	\$ 148,855
Total assets	1,812	147,043	148,855
Liabilities			
Due to other funds	1,812	69,201	71,013
Total liabilities	1,812	69,201	71,013
Net Position			
Restricted for individuals, organizations, other governments	\$ -	\$ 77,842	\$ 77,842

City of Texarkana, Texas
Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds –
Custodial Funds
For the Year Ended September 30, 2022

	Police Evidence Escrow	Drug Escrow	Total
Additions			
Seized funds	\$ -	\$ 50,877	\$ 50,877
Interest and dividends	89	2,159	2,248
Total additions	<u>89</u>	<u>53,036</u>	<u>53,125</u>
Deductions			
Distributions to other governments	<u>89</u>	<u>63,189</u>	<u>63,278</u>
Total deductions	<u>89</u>	<u>63,189</u>	<u>63,278</u>
Net Increase (Decrease) in Net Position	-	(10,153)	(10,153)
Beginning net position	<u>-</u>	<u>87,995</u>	<u>87,995</u>
Ending net position	<u>\$ -</u>	<u>\$ 77,842</u>	<u>\$ 77,842</u>

City of Texarkana, Texas
Balance Sheet
Component Unit – Health Center
September 30, 2022

ASSETS

Cash	\$	944,422
Receivables (net of allowance for uncollectible):		
Other government agencies		276,231
TOTAL ASSETS		<u><u>\$ 1,220,653</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$	35,459
Accrued payroll		10,286
Due to primary government		127
TOTAL LIABILITIES		<u><u>45,872</u></u>

Fund Balances:

Restricted		1,174,781
TOTAL FUND BALANCES		<u><u>1,174,781</u></u>

TOTAL LIABILITIES AND FUND BALANCES	\$	<u><u>1,220,653</u></u>
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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, 2022

Total discretely presented component unit fund balance	\$ 1,174,781
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.	<u>365,738</u>
Net position of discretely presented component unit	<u><u>\$ 1,540,519</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, 2022

REVENUES

Charges for services	\$ 233,106
Grants and entitlements	571,377
Investment earnings:	
Interest and dividends	17,586
Intergovernmental	367,099
Other	5,013
Total revenues	<u>1,194,181</u>

EXPENDITURES

Current:	
Health and welfare	1,015,711
Capital outlay	18,000
Total expenditures	<u>1,033,711</u>

Net change in fund balance	160,470
Fund balance at beginning of year	<u>1,014,311</u>
Fund balance at end of year	<u>\$ 1,174,781</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, 2022

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	\$	160,470
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.		38,583
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>(46,295)</u>
Change in net position of governmental discretely presented component unit	\$	<u><u>152,758</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			
	2013	2014	2015	2016
Governmental activities:				
Net invested in capital assets	\$ 82,719,452	\$ 83,155,796	\$ 85,106,547	\$ 85,391,477
Restricted	13,196,487	8,118,578	4,277,958	4,342,782
Unrestricted	5,815,734	11,274,308	4,979,007	4,051,074
Total governmental activities net position	<u>\$ 101,731,673</u>	<u>\$ 102,548,682</u>	<u>\$ 94,363,512</u>	<u>\$ 93,785,333</u>
Business-type activities:				
Net invested in capital assets	\$ 58,503,625	\$ 57,691,676	\$ 58,283,054	\$ 58,709,850
Restricted	8,744,657	10,809,056	10,183,541	8,914,641
Unrestricted	2,932,377	2,000,694	(314,620)	2,757,977
Total business-type activities net position	<u>\$ 70,180,659</u>	<u>\$ 70,501,426</u>	<u>\$ 68,151,975</u>	<u>\$ 70,382,468</u>
Primary government				
Net invested in capital assets	\$ 141,223,077	\$ 140,847,472	\$ 143,389,601	\$ 144,101,327
Restricted	21,941,144	18,927,634	14,461,499	13,257,423
Unrestricted	8,748,111	13,275,002	4,664,387	6,809,051
Total primary government net position	<u>\$ 171,912,332</u>	<u>\$ 173,050,108</u>	<u>\$ 162,515,487</u>	<u>\$ 164,167,801</u>

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 86,912,466	\$ 88,593,873	\$ 90,171,459	\$ 91,034,859	\$ 91,545,250	\$ 93,235,726
12,305,856	8,726,421	6,257,365	10,970,829	11,993,615	11,279,890
(950,495)	459,243	(290,772)	(2,782,965)	12,167,974	27,889,699
<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>	<u>\$ 132,405,315</u>
\$ 59,720,017	\$ 59,005,503	\$ 58,371,989	\$ 58,690,456	\$ 58,067,071	\$ 57,597,165
7,062,511	4,801,378	-	-	-	-
5,602,110	4,245,709	10,551,212	10,816,275	13,402,989	15,862,922
<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>	<u>\$ 73,460,087</u>
\$ 146,632,483	\$ 147,599,376	\$ 148,543,448	\$ 149,725,315	\$ 149,612,321	\$ 150,832,891
19,368,367	13,527,799	6,257,365	10,970,829	11,993,615	11,279,890
4,651,615	4,704,952	10,260,440	8,033,310	25,570,963	43,752,621
<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>	<u>\$ 205,865,402</u>

City of Texarkana, Texas

Statistical Section

Changes in Net Position

Last Ten Fiscal Years

Schedule 2

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities:				
Current:				
General government	\$ 6,797,714	\$ 7,114,857	\$ 7,416,500	\$ 8,011,669
Public safety	16,886,838	16,681,701	16,272,709	16,396,091
Public works	7,498,517	7,545,126	7,464,975	8,881,205
Parks and recreation	3,379,678	3,012,271	3,408,188	3,446,421
Health and welfare	2,335,011	1,915,780	1,436,864	1,671,102
Interest on long-term debt	2,167,516	2,262,532	2,043,793	2,085,451
Total governmental activities expenses	<u>39,065,274</u>	<u>38,532,267</u>	<u>38,043,029</u>	<u>40,491,939</u>
Business-type activities:				
Water and Sewer	15,813,999	15,841,333	15,736,026	15,734,804
Total business-type activities expenses	<u>15,813,999</u>	<u>15,841,333</u>	<u>15,736,026</u>	<u>15,734,804</u>
Total primary government expenses	<u>\$ 54,879,273</u>	<u>\$ 54,373,600</u>	<u>\$ 53,779,055</u>	<u>\$ 56,226,743</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 981,567	\$ 887,114	\$ 812,556	\$ -
Public safety	1,698,464	1,733,651	2,192,611	1,838,438
Other activities	748,273	756,869	1,020,804	856,602
Operating grants and contributions	1,851,104	1,323,001	1,514,552	1,628,327
Capital grants and contributions	566,142	808,174	-	-
Total governmental activities program revenues	<u>5,845,550</u>	<u>5,508,809</u>	<u>5,540,523</u>	<u>4,323,367</u>
Business-type activities:				
Charges for services:				
Water and sewer	15,642,192	15,198,786	15,448,372	16,775,322
Capital grants and contributions	39,387	38,071	118,869	39,327
Total business-type activities program revenues	<u>15,681,579</u>	<u>15,236,857</u>	<u>15,567,241</u>	<u>16,814,649</u>
Total primary government program revenues	<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
Changes in Net Position
Last Ten Fiscal Years
Schedule 2 (Continued)

	Fiscal Year					
	2017	2018	2019	2020	2021	2022
\$	8,357,159	\$ 9,748,511	\$ 10,276,183	\$ 9,161,814	\$ 7,325,779	\$ 7,150,090
	17,875,634	17,965,103	18,612,666	17,724,082	12,524,376	10,831,701
	9,044,672	9,119,545	9,681,167	9,708,732	10,106,568	9,740,938
	3,517,538	3,630,516	3,562,369	3,596,959	3,714,985	4,004,866
	1,532,646	1,790,592	1,192,402	882,349	5,715,591	7,767,601
	1,770,944	1,908,617	1,626,684	1,682,347	1,248,583	1,138,745
	<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>40,633,941</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>22,348,399</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>22,348,399</u>
\$	<u><u>58,508,218</u></u>	<u><u>60,336,102</u></u>	<u><u>62,547,152</u></u>	<u><u>63,383,007</u></u>	<u><u>60,283,385</u></u>	<u><u>62,982,340</u></u>
\$	1,107,648	\$ 860,962	\$ 760,372	\$ 583,372	\$ 637,597	\$ 525,078
	1,890,660	1,990,244	1,757,716	1,348,552	1,473,903	1,213,799
	1,017,640	970,713	857,301	657,737	718,875	592,013
	1,659,145	2,695,060	1,386,805	4,423,031	7,326,526	5,301,955
	-	-	-	-	-	-
	<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>7,632,845</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>23,904,692</u>
	<u>39,365</u>	<u>22,539</u>	<u>-</u>	<u>3,932</u>	<u>388,847</u>	<u>65,571</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>23,970,263</u>
\$	<u><u>22,845,174</u></u>	<u><u>24,202,917</u></u>	<u><u>21,531,090</u></u>	<u><u>23,808,745</u></u>	<u><u>27,952,150</u></u>	<u><u>31,603,108</u></u>

(Continued)

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

	Fiscal Year			
	2013	2014	2015	2016
Net (Expense)/Revenue				
Governmental activities	\$ (33,219,724)	\$ (33,023,458)	\$ (32,502,506)	\$ (36,168,572)
Business-type activities	(132,420)	(604,476)	(168,785)	1,079,845
Total primary government net expense	<u>\$ (33,352,144)</u>	<u>\$ (33,627,934)</u>	<u>\$ (32,671,291)</u>	<u>\$ (35,088,727)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	\$ 15,577,638	\$ 15,763,817	\$ 16,450,285	\$ 16,304,576
Sales taxes	14,114,271	14,326,770	14,735,398	15,164,177
Franchise taxes	2,002,603	2,005,690	2,006,662	1,970,362
Other taxes	1,264,118	1,351,583	1,248,856	1,273,131
Unrestricted investment earnings	186,700	170,967	88,788	107,914
Gain on sale of capital assets	-	-	-	89,385
Miscellaneous	1,235,793	365,470	169,481	180,820
Intergovernmental	-	-	-	-
Transfers	3,318,900	1,086,504	18,900	18,900
Total governmental activities	<u>37,700,023</u>	<u>35,070,801</u>	<u>34,718,370</u>	<u>35,109,265</u>
Business-type activities:				
Unrestricted investment earnings	50,601	38,346	62,088	60,910
Miscellaneous	965,964	1,069,254	1,055,847	1,140,886
Transfers	(3,318,900)	(1,086,504)	(18,900)	(18,900)
Total business-type activities program revenues	<u>(2,302,335)</u>	<u>21,096</u>	<u>1,099,035</u>	<u>1,182,896</u>
Change in Net Position				
Governmental activities	4,480,299	2,047,343	2,215,864	(1,059,307)
Business-type activities	(2,434,755)	(583,380)	930,250	2,262,741
Total primary government	<u>\$ 2,045,544</u>	<u>\$ 1,463,963</u>	<u>\$ 3,146,114</u>	<u>\$ 1,203,434</u>

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (36,423,500)	\$ (37,645,905)	\$ (40,189,277)	\$ (35,743,591)	\$ (30,478,981)	\$ (33,001,096)
760,456	1,512,720	(826,785)	(3,830,671)	(1,852,254)	1,621,864
<u>\$ (35,663,044)</u>	<u>\$ (36,133,185)</u>	<u>\$ (41,016,062)</u>	<u>\$ (39,574,262)</u>	<u>\$ (32,331,235)</u>	<u>\$ (31,379,232)</u>
\$ 15,979,531	\$ 17,441,622	\$ 17,432,676	\$ 17,867,578	\$ 17,851,383	\$ 18,498,814
15,899,829	15,693,696	16,446,745	16,807,951	19,464,684	20,834,260
1,789,518	1,724,035	1,844,779	1,678,268	1,733,108	1,694,525
1,661,189	1,468,143	1,630,377	1,666,183	1,929,547	2,065,314
105,702	254,679	545,540	564,439	435,052	768,185
-	-	-	-	-	-
135,724	4,283,822	511,629	878,642	1,074,823	1,299,743
-	-	-	-	4,702,009	4,702,099
18,900	39,997	6,018,900	(634,799)	(227,508)	(163,277)
<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>	<u>49,699,663</u>
60,226	152,275	171,431	247,600	117,484	204,886
1,109,322	1,129,436	1,181,071	3,531,802	3,470,592	-
(18,900)	(39,997)	(6,018,900)	634,799	227,508	163,277
<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>	<u>368,163</u>
(833,107)	3,260,089	4,241,369	3,084,671	16,484,117	16,698,476
1,911,104	2,754,434	(5,493,183)	583,530	1,963,330	1,990,027
<u>\$ 1,077,997</u>	<u>\$ 6,014,523</u>	<u>\$ (1,251,814)</u>	<u>\$ 3,668,201</u>	<u>\$ 18,447,447</u>	<u>\$ 18,688,503</u>

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

	Program Revenues				
	2013	2014	2015	2016	2017
Function/ Program					
Governmental activities:					
General government	\$ 1,145,219	\$ 1,061,405	\$ 1,436,416	\$ 408,024	\$ 1,466,198
Public safety	1,988,390	2,252,465	2,502,162	2,112,647	2,542,648
Public works	680,520	979,029	564,645	425,131	454,190
Parks and Recreation	365,251	355,000	304,110	295,790	336,621
Health and welfare	1,666,170	860,910	733,190	1,081,775	875,436
Subtotal governmental activities	<u>5,845,550</u>	<u>5,508,809</u>	<u>5,540,523</u>	<u>4,323,367</u>	<u>5,675,093</u>
<i>Business-type activities:</i>					
Water and sewer	15,681,579	15,236,857	15,567,241	16,814,649	17,170,081
Subtotal business-type activities	<u>15,681,579</u>	<u>15,236,857</u>	<u>15,567,241</u>	<u>16,814,649</u>	<u>17,170,081</u>
Total primary government	<u>\$ 21,527,129</u>	<u>\$ 20,745,666</u>	<u>\$ 21,107,764</u>	<u>\$ 21,138,016</u>	<u>\$ 22,845,174</u>

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

Program Revenues				
2018	2019	2020	2021	2022
\$ 1,500,537	\$ 1,089,480	\$ 583,372	\$ 637,597	\$ 2,169,519
2,663,396	2,104,102	1,348,552	1,473,903	2,944,570
581,768	450,158	277,207	302,974	1,215,358
277,088	239,364	177,914	194,451	249,455
1,494,190	879,090	202,616	221,450	1,053,942
<u>6,516,979</u>	<u>4,762,194</u>	<u>2,589,661</u>	<u>2,830,375</u>	<u>7,632,844</u>
17,685,938	16,768,896	16,792,121	17,406,402	23,970,263
<u>17,685,938</u>	<u>16,768,896</u>	<u>16,792,121</u>	<u>17,406,402</u>	<u>23,970,263</u>
<u>\$ 24,202,917</u>	<u>\$ 21,531,090</u>	<u>\$ 19,381,782</u>	<u>\$ 20,236,777</u>	<u>\$ 31,603,107</u>

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

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund					
Nonspendable	\$ 98,990	\$ 93,432	\$ 88,297	\$ 90,247	\$ 91,371
Restricted	330,049	689,448	675,143	648,797	658,975
Committed		35,000	-	20,848	-
Assigned	36,021	128,739	268,073	145,932	149,274
Unassigned	10,327,257	9,304,806	10,511,161	12,003,407	13,215,235
Total General Fund	<u>\$ 10,792,317</u>	<u>\$ 10,251,425</u>	<u>\$ 11,542,674</u>	<u>\$ 12,909,231</u>	<u>\$ 14,114,855</u>
All Other Governmental Funds					
Nonspendable					
Special revenue fund	\$ 261,448	\$ 325,693	\$ 411,561	\$ 353,067	\$ 380,453
Restricted					
Special revenue fund	499,913	4,624,343	568,030	882,022	953,099
Debt service fund	-			76,937	22,502
Capital projects fund	12,070,107	2,515,323	2,806,712	2,422,336	9,736,141
Committed					
Special revenue fund	1,149,318	1,112,025	1,267,865	1,372,641	887,434
Assigned					
Special revenue fund	862,925	942,542	1,102,850	1,528,344	1,933,041
Unassigned					
Special revenue fund	(340,465)	(139,462)	(94,755)	(173,131)	(221,313)
Debt service fund	(104,606)	(146,654)	(173,968)	-	-
Capital projects fund	-	-	(31,268)	-	-
Total all other governmental funds	<u>\$ 14,398,640</u>	<u>\$ 9,233,810</u>	<u>\$ 5,857,027</u>	<u>\$ 6,462,216</u>	<u>\$ 13,691,357</u>

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

Fiscal Year				
2018	2019	2020	2021	2022
\$ 90,274	\$ 88,838	\$ -	\$ -	\$ -
689,749	725,081	-	4,878	5,180
-	-	-	-	-
9,247,919	4,770,190	5,088,959	9,358,748	16,054,712
8,655,483	9,846,341	13,796,333	18,307,622	20,978,636
<u>\$ 18,683,425</u>	<u>\$ 15,430,450</u>	<u>\$ 18,885,292</u>	<u>\$ 27,671,248</u>	<u>\$ 37,038,528</u>
\$ 372,047	\$ 599,833	\$ 2,532,445	\$ 3,412,246	\$ 2,081,499
1,724,450	3,889,715	5,153,324	3,044,429	6,148,169
206,784	392,006	366,388	349,310	84,604
5,306,583	4,564,432	8,664,562	4,868,436	3,774,210
3,277,171	1,443,943	1,714,299	1,931,875	2,115,732
809,864	819,933	878,046	756,696	772,719
(139,103)	(120,784)	(2,423,508)	(1,265,200)	(14)
-	-	-	-	-
-	-	-	-	-
<u>\$ 11,557,796</u>	<u>\$ 11,589,078</u>	<u>\$ 16,885,556</u>	<u>\$ 13,097,792</u>	<u>\$ 14,976,919</u>

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

	Fiscal Year			
	2013	2014	2015	2016
REVENUES				
Taxes	\$ 33,432,131	\$ 33,976,724	\$ 34,290,500	\$ 35,562,155
Fees and permits	245,003	241,751	726,386	579,704
Charges for services	1,175,867	560,530	377,102	868,486
Municipal court	1,631,182	1,652,149	2,023,923	1,671,117
Grants and entitlements	794,466	626,421	369,114	258,240
Interest and dividends	167,813	79,017	82,785	96,316
Intergovernmental	1,092,352	1,518,657	1,006,232	923,001
Other	647,550	447,449	357,902	632,649
Total revenues	<u>39,186,364</u>	<u>39,102,698</u>	<u>39,233,944</u>	<u>40,591,668</u>
EXPENDITURES				
Current:				
General government	6,096,316	5,778,132	6,500,409	7,144,935
Public safety	15,370,410	14,913,921	14,900,200	14,033,527
Public works	3,843,357	4,085,840	4,674,794	5,069,600
Parks and recreation	2,393,470	2,234,747	2,429,448	2,428,568
Health and welfare	2,144,737	1,727,656	1,073,624	1,483,091
Miscellaneous	-	-	-	-
Capital outlay	4,651,366	8,921,568	5,152,652	3,136,260
Debt service:				
Principal retirement	3,780,647	3,747,283	3,639,164	3,643,800
Interest and fiscal charges	2,182,138	2,047,350	1,939,214	1,851,466
Bond issuance costs	193,000	-	-	-
Total expenditures	<u>40,655,441</u>	<u>43,456,497</u>	<u>40,309,505</u>	<u>38,791,247</u>
Excess (deficiency) of revenues over expenditures	<u>(1,469,077)</u>	<u>(4,353,799)</u>	<u>(1,075,561)</u>	<u>1,800,421</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,472,167	995,874	1,089,860	1,621,310
Transfers out	(4,630,978)	(2,392,810)	(2,186,683)	(2,627,481)
Proceeds from issuance of debt	-	-	-	-
Bonds issued	14,550,000	-	-	-
Payments to refunded bond escrow agent	(15,788,017)	-	-	-
Bond premium	1,270,367	-	-	-
Capital lease	21,512	45,013	86,851	1,177,496
Total other financing sources (uses)	<u>(104,949)</u>	<u>(1,351,923)</u>	<u>(1,009,972)</u>	<u>171,325</u>
	<u>\$ (1,574,026)</u>	<u>\$ (5,705,722)</u>	<u>\$ (2,085,533)</u>	<u>\$ 1,971,746</u>

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

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 36,156,991	\$ 37,452,474	\$ 37,582,888	\$ 38,279,599	\$ 41,782,134	\$ 40,744,793	
596,610	554,698	724,420	548,957	427,598	567,147	
956,020	983,120	1,095,467	1,099,773	1,037,669	1,155,950	
1,733,350	1,826,561	1,422,961	943,011	599,736	1,043,046	
708,218	1,726,751	745,989	1,793,192	1,583,239	-	
180,985	494,331	700,925	539,518	414,628	627,031	
633,866	1,081,302	913,126	920,911	7,128,675	7,028,013	
556,701	483,478	746,008	1,014,318	1,324,107	3,167,967	
<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>	<u>54,333,947</u>	
7,789,701	8,295,387	7,753,710	7,223,505	7,795,281	8,474,675	
14,989,492	15,305,697	15,503,976	15,935,509	11,653,823	9,961,148	
5,149,470	5,142,191	5,443,261	4,986,705	5,220,381	5,883,180	
2,381,295	2,437,334	2,708,328	2,742,918	2,860,944	3,150,825	
1,286,529	1,586,089	1,192,402	882,349	5,715,591	7,767,601	
-	-	-	4,363	-	-	
9,459,729	8,593,001	3,717,535	5,424,271	6,449,327	3,747,529	
3,730,323	3,791,639	8,106,130	4,055,256	4,267,631	4,191,419	
1,538,361	2,102,754	1,929,912	1,636,949	1,373,439	1,257,341	
449,593	-	-	-	-	20,449	
<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>44,454,167</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>	<u>9,879,780</u>	
2,171,120	7,366,390	6,506,530	2,769,947	1,848,480	4,926,969	
(3,052,626)	(2,436,585)	(7,345,117)	(4,074,595)	(2,912,307)	(6,459,692)	
-	-	-	663,110	-	-	
23,250,000	-	-	13,575,000	-	-	
(9,792,779)	-	-	(6,815,689)	-	-	
1,110,802	-	-	356,018	-	-	
-	156,581	40,364	30,075	-	-	
<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>(1,532,723)</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>	<u>\$ 8,347,057</u>	



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

Fiscal Year	Property	Sales and Use	Franchise	Other	Total
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
2022	17,845,219	20,910,472	1,694,525	1,989,102	42,439,318
Percentage change	-4.34%	7.43%	-2.23%	3.09%	1.57%

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

Fiscal Year	Tax Roll Year	Personal Property Assessed Value	Real Property Assessed Value	Total Property Assessed Value	Tax Rate (1)	Gross Tax Levy
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	2,604,513,311	0.700000	18,231,593
2021	# 2020	406,005,575	2,318,140,024	2,724,145,599	0.700000	19,069,019
2022	# 2021	384,803,947	2,413,883,331	2,798,687,278	0.650000	18,191,467

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
\$	(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	3,883,113
	(566,695)	18,502,333	(30,442)	18,471,891	14,838,206	3,633,685
	(472,228)	17,719,245	873	17,720,118	14,295,909	3,424,208

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

City Direct Rates			
Fiscal Year	General	General Obligation Debt Service	Total City Direct Rate
2013	0.448799	0.220494	0.669293
2014	0.455451	0.213842	0.669293
2015	0.458613	0.210680	0.458613
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	0.000000
2020	0.548700	0.151300	0.700000
2021	0.562300	0.137700	0.700000
2022	0.524395	0.125605	0.650000

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

Texarkana Independent School District	Bowie County	Texarkana College	Liberty-Eylau Independent School District	Pleasant Grove Independent School District	Red Lick Independent School District
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	
1.425	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
1.307	0.4243	0.123081	1.25000	1.36	1.09

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

Taxpayer	Rank	2022	
		2021 Valuation (1) (2)	Percentage of Total Assessed Valuation
AEP Southwestern Electric Power Co.	1	\$ 27,440,160	0.98%
Christus Health Ark La Tx	2	26,082,184	0.93%
MPT of Texarkana - Steward LLC	3	18,154,243	0.65%
Rancho Texarkana Investors LLC	4	17,728,468	0.63%
Arista Apartments	5	15,600,000	0.56%
Sterno Candle Lamp	6	15,467,410	0.55%
LPG Apartments LP	7	14,200,000	0.51%
Patmos Holding LLC	8	12,888,245	0.46%
Central Mall Texar Realty Hold	9	11,979,833	0.43%
Dillard Texas Four-Point LLC	10	11,665,591	0.42%
William Gregg Orr			
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		\$ 171,206,134	6.12%

(1) Net of exemptions

(2) Source - Bowie Central Appraisal District

Unaudited - see accompanying auditors' report

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

2013		
Rank	2012 Assessed Valuation (1) (2)	Percentage of Total Assessed Valuation
3	\$ 16,444,294	0.68%
1	24,481,498	1.01%
5	12,067,270	0.50%
7	11,115,483	0.46%
10	9,488,718	0.39%
6	11,123,104	0.46%
2	31,920,937	1.32%
4	14,215,963	0.59%
9	10,573,819	0.44%
8	10,646,206	0.44%
	\$ 152,077,292	6.29%

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
2013	2012	\$ 15,590,419	\$ 15,256,890	97.86%	\$ 298,358	\$ 15,555,248	99.77%
2014	2013	15,840,738	15,514,090	97.94%	289,795	15,803,885	99.77%
2015	2014	15,808,717	15,452,342	97.75%	309,266	15,761,608	99.70%
2016	2015	16,051,708	15,748,536	98.11%	257,058	16,005,594	99.71%
2017	2016	17,217,095	16,814,025	97.66%	348,469	17,162,494	99.68%
2018	2017	17,388,427	17,037,845	97.98%	284,946	17,322,791	99.62%
2019	2018	17,742,368	17,400,106	98.07%	261,465	17,661,571	99.54%
2020	2019	18,471,891	17,674,056	98.38%	190,670	17,864,726	96.71%
2021	2020	18,471,891	18,227,623	98.68%	123,417	18,351,040	99.35%
2022	2021	17,720,118	17,470,102	98.59%	-	17,470,102	

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

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

Fiscal Year	City Direct Rate	Bowie County
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%
2022	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

Type of Customer	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Residential	1,027,446	1,417,654	1,376,505	1,287,088
Commercial	717,174	991,064	951,031	973,341
Member Cities	952,637	874,055	817,986	850,476
Wholesale	<u>958,491</u>	<u>948,195</u>	<u>918,397</u>	<u>995,876</u>
Total	<u><u>3,655,748</u></u>	<u><u>4,230,968</u></u>	<u><u>4,063,919</u></u>	<u><u>4,106,781</u></u>
Total Direct Rate				
per 1,000 Gallons				
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	0.73	0.7448	0.7275	0.7986

(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)

2017	2018	2019	2020	2021	2022
1,188,352	1,309,564	1,274,485	1,469,904	1,348,391	899,865
904,554	956,902	940,855	939,774	898,927	878,972
872,256	1,137,326	1,039,938	1,083,498	1,087,940	1,012,043 (1)
<u>1,021,527</u>	<u>742,249</u>	<u>733,093</u>	<u>710,133 (1)</u>	<u>758,998 (1)</u>	<u>988,423</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>	<u><u>3,779,303</u></u>
1.75	1.75	1.80	1.80	1.80	1.80
2.00	2.00	2.06	2.06	2.06	2.06
3.25	3.25	3.34	3.34	3.34	3.34
3.75	3.75	3.86	3.86	3.86	3.86
4.00	4.00	4.11	4.11	4.11	4.11
3.25	3.25	3.341	3.34	3.34	3.34
3.25	3.25	3.341	3.34	3.34	3.34
3.25	3.25	3.341	3.34	3.34	3.34
3.25	3.25	3.341	3.34	3.34	3.34
3.25	3.25	3.341	3.34	3.34	3.34
0.8109	0.8914	0.9006	0.9389	0.9302	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
Residential				
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
2022	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		
Commercial				
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
2022	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	2022			2013		
	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	\$ 554,776	3.56%	2	\$ 348,104	2.99%
TCI (Alcoa)	2	319,058	2.05%			
Federal Correctional Institute	3	544,190	3.49%	1	608,753	5.23%
Wadley Hospital	4	160,466	1.03%	3	151,597	1.30%
TISD	5	166,193	1.07%	6	156,172	1.34%
West Fraser	6	106,085	0.68%			
Lasalle/Bowie County Jail	7	140,926	0.90%			
River Crossing Apartments	8	121,128	0.78%	7	95,534	0.82%
City of Texarkana, TX	9	74,102	0.48%	9	67,288	0.58%
Lakeridge Apartments	10	105,819	0.68%			
Texarkana Housing Authority				4	191,227	1.64%
Brighton Manor/Woodlands Apts				5	182,253	1.57%
Town North Apartments				8	82,219	0.71%
Texarkana College				10	66,921	0.58%
Totals		<u>\$ 2,292,743</u>	14.72%		<u>\$ 1,950,068</u>	16.76%

(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

Governmental Activities				
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Notes Payable	Loans Payable
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
2022	18,575,000	20,210,000		40,709

(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.

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

Business-type Activities				
Water Revenue Bonds	Loans Payable	Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
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
1,575,000	1,931,682	42,332,391	-	-

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

Fiscal Year	Population (1)	Assessed Value	Gross Bonded Debt (2)
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
2022	35,924	2,798,687,278	40,360,000

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)

Less Debt Service Funds	Less Debt Payable From Enterprise Funds (2)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
\$ -	\$ 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
84,604	1,575,000	38,700,396	1.38	1,077



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City of Texarkana, Texas
Statistical Section
Direct and Overlapping Governmental Activities Debt
September 30, 2022
Schedule 17

Jurisdiction	Outstanding Debt	Percentage of Debt Applicable to City of Texarkana	Amount Applicable to City of Texarkana
Direct:			
City of Texarkana, Texas	\$ 38,825,709	100.00%	<u>\$ 38,825,709</u>
Overlapping:			
Texarkana Independent School District	31,990,000	67.25%	21,513,275
Texarkana College	-	44.54%	-
Bowie County	16,020,000	49.51%	7,931,502
Liberty-Eylau Independent School District	21,755,000	37.34%	8,123,317
Pleasant Grove School District	80,635,000	79.02%	63,717,777
Red Lick Independent School District	3,760,000	9.72%	<u>365,472</u>
Subtotal - Overlapping debt			<u>101,651,343</u>
Total direct and overlapping			<u><u>\$ 140,477,052</u></u>
Per capita overlapping debt			<u><u>\$ 3,824</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessed value of real property	<u>\$ 2,046,730,722</u>	<u>\$ 2,081,673,471</u>	<u>\$ 2,089,129,528</u>	<u>\$ 2,089,714,475</u>
Debt limit - 25% of assessed value of real property	<u>\$ 511,682,681</u>	<u>\$ 520,418,368</u>	<u>\$ 522,282,382</u>	<u>\$ 522,428,619</u>
Total general obligation bonded debt	27,636,147	27,290,448	25,298,564	22,741,680
Less amount available in Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76,937)</u>
Total amount of debt applicable to debt limit	<u>27,636,147</u>	<u>27,290,448</u>	<u>25,298,564</u>	<u>22,664,743</u>
Legal debt margin	<u>\$ 484,046,534</u>	<u>\$ 493,127,920</u>	<u>\$ 496,983,818</u>	<u>\$ 499,763,876</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)

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</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>\$ 2,413,883,331</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>	<u>\$ 603,470,833</u>
29,249,798	24,395,000	18,335,000	23,690,000	21,185,000	18,575,000
<u>(22,502)</u>	<u>(206,784)</u>	<u>(391,806)</u>	<u>(366,188)</u>	<u>(349,312)</u>	<u>(84,604)</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>18,490,396</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>	<u>\$ 584,980,437</u>

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

Fiscal Year	Gross Revenue(2)	Operating Expenses (3)	Net Revenue Available For Debt Service	Debt Service Requirements (4)	Coverage
2013	\$ 15,847,484	\$ 11,418,138	\$ 4,429,346	\$ 492,840	8.99
2014	15,269,056	11,064,894	4,204,162	559,088	7.52
2015	15,767,506	11,261,328	4,506,178	562,188	8.02
2016	16,864,947	11,262,109	5,602,838	560,647	9.99
2017	17,313,475	11,650,159	5,663,316	566,159	10.00
2018	17,930,971	11,279,978	6,650,993	360,819	18.43
2019	17,174,995	12,434,904	4,740,091	357,663	13.25
2020	19,342,744	14,363,353	4,979,391	353,634	14.08
2021	19,675,217	14,452,254	5,222,963	348,356	14.99
2022	22,458,272	16,329,506	6,128,766	352,666	17.38

Notes:

- (1) Exclusive of Lake Texarkana Water Supply Corporation and Graphic Packaging International 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 intersystem notes payable 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

Fiscal Year	Population (1)	Median Age (1)	Per Capita Income (1)	Unemployment Rate (1)	Personal Income (2)
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	1,075,983,036
2021	36,017	37.2	29,292	5.7	1,055,009,964
2022	35,924	38.4	30,348	4.7	1,090,221,552

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	2022			2013		
	Employees	Rank	Percentage of Total MSA Employment (1)	Employees	Rank	Percentage of Total MSA Employment (2)
			<i>61,626</i>			<i>60,200</i>
Christus St. Michael Health Care	1,880	1	3.05%	1,900	2	3.16%
Cooper Tire & Rubber	1,867	2	3.03%	1,860	3	3.09%
Red River Army Depot and Tenants	1,863	3	3.02%	4,700	1	7.81%
Texarkana Texas ISD	902	4	1.46%	795	8	1.32%
Graphic Packaging (International Paper)	796	5	1.29%	925	6	1.54%
Wadley Regional Medical Ctr	704	6	1.14%	850	7	1.41%
Wal-Mart/Sam's	696	7	1.13%	1,100	5	1.83%
Domtar (Georgia Pacific)	602	8	0.98%	1,150	4	1.91%
DLA	550	9	0.89%	-		0.00%
Texarkana Arkansas School District	395	10	0.64%	785	9	1.30%
Southern Refrigerated Transport	-		-	750	10	1.25%
Total	10,255		16.63%	14,815		24.62%

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

	2013	2014	2015	2016	2017
General government					
Purchasing- General Services	0	0	0	0	0
Finance / Accounting	8	8	8	8	8
Building Maintenance	3	2	0	0	0
City Manager	1	2	9	10	11
City Secretary	2	3	0	0	0
Research and Vital Statistics	2	3	0	0	0
Human Resources	4	4	4	4	5
City Attorney	0	0	0	0	0
Municipal Court	8.5	7.5	9.5	8.5	8.5
Quality Assurance	1	0	0	0	0
Marketing	1.5	1	0	0	0
Public safety					
Police Administration	9	8	6	2	2
Uniform Services- Patrol	63	62	61	59	62
Support Services	32	31	31	39	37
Criminal Investigation	0	0	0	0	0
CMV Enforcement Unit	0	0	0	0	0
Narcotics	0	0	0	0	0
Fire Administration	3	4	81	78	79
Fire Operations	72	70	0	0	0
Fire Prevention	5	6	0	0	0
Fire Training	0	0	0	0	0
Emergency Management	0	0	0	0	0
Public works					
Public Works Administration	0	0	0	0	0
Engineering	4	4	3	2	7
Engineering & Infrastructure Administration	2	2	2	1	1
Street Maintenance	32	30	36	36	39
Building Inspection	7	6	13	12	13
Sign and Signal	6	5	6	6	0
P&Z/Comm & PW Administration	1.5	0	0	0	0
Code Enforcement	3	3	0	0	0
Stormwater Management	2	2	2	2	0
Health and welfare					
Community Development	5	5	5.5	5.5	6
Environmental Services	2	2	0	0	0
Environmental Health Services	1	1	0	0	0
Demolition	0	0	0	0	0
Animal Control	2	2	0	0	0

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

	2013	2014	2015	2016	2017
Economic Development	0	0	0	0	0
Parks and recreation					
Parks Administration	2	2	2	2	2
Parks Maintenance	20	21	17	16	17
Recreational Programs	3	3	4	5	5
Senior Citizen Programs	1	1	0	0	0
Community Center / Weed & Seed	1	1	0	0	0
Library	12.5	13.5	11	10.5	12.5
Teen Court	0	0	0	0	0
Veterans Affairs	0.5	0.5	0.5	0	0
Family Health Center					
Administration	4	4	3	3	3
Community	1	1	1	1	1
Employee Health	0	0	0	0	0
WIC	6	7	7	6	7.5
Reproductive	5	4	5	4	5
TB	0	0	0	0	0
Public Health Response	0	0	0	0	0
Tobacco	0	0	0	0	0
Diabetes	2	1	0	0	0
Health Equity					
Central Records - Dispatch	41	38	41	40	39
MPO	1.5	3	3	2	2
Fleet	6	4	6	6	6
Total	<u>389.0</u>	<u>377.5</u>	<u>377.5</u>	<u>368.5</u>	<u>378.5</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)

2018	2019	2020	2021	2022
1	0.5	0	0	0
3	3	3	3	4
19	21	18	19	21
4	4	4	4	3
0	0	0	0	0
0	0	0	0	0
12.5	12.5	12.5	11	11.5
0	0	0	0	0
0	0	0	0	0
3	3	2	2	2
1	1	1	1	1
0	0	2	1	2
6.5	6	6.5	7.5	6
4	4	4	3	3
0	0	0	0	0
0	0	1	1	1
0	0	0	0	0
0	0	0	0	0
0	0	0	0	1
36	35	36	32	31
2	2	2	2	2
5	6	6	4	5
<u>379.5</u>	<u>373.5</u>	<u>361.0</u>	<u>354.5</u>	<u>356.5</u>

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government				
Birth certificate requests	5,758	6,056	6,257	6,718
Public safety				
Police				
Commissioned officers	96	95	90	91
Calls for service	38,712	41,556	38,622	39,562
Total citations issued	10,558	12,507	11,012	9,244
Custody arrests	3,243	2,383	3,488	3,429
Fire				
Firefighters	77	78	78	78
Responses- Fire	259	220	264	250
Responses- EMS/Rescue	1,753	1,871	1,761	1,748
Responses- Other	1,109	1,022	1,005	1,096
Inspections	3,950	3,950	4,032	4,028
Public works				
Street resurfacing (miles)	(1)	(1)	(1)	2
Building permits issued	577	443	481	544
Building permits (\$)	40,844,204	27,317,875	58,075,585	38,254,996
Water				
Average daily consumption (millions of gallons)	12.368	11.467	10.677	8.815
Raw water production (millions of gallons)	12.997	12.062	11.545	9.888
Wastewater				
Average daily sewage treatment (millions of gallons)				
South Regional Plant	6.642	8.062	8.89	10.130
Wagner Creek Plant	1.3	1.7	1.7	1.7
Airlines				
Scheduled airline arrivals and departures per day	6	6	6	6
Passengers enplaning and deplaning per year	66,338,000	68,674	71,500	67,642

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)

2017	2018	2019	2020	2021	2022
7,137	6,836	7,426	3,509	4,703	4,511
91	91	91	85	88	87
38,878	37,387	40,716	33,458	38,377	37,287
9,594	8,234	7,627	2,741	3,490	6,026
4,059	3,885	4,477	2,418	3,040	3,133
78	78	78	78	78	78
246	287	230	189	230	275
1,770	2,175	2,267	2,317	2,689	2,451
1,010	1,031	1,084	1,091	1,304	1,221
3,445	3,336	3,377	1,127	1,360	2,800
1	14	4	3	(1)	0
580	625	698	100	90	73
57,433,786	60,555,822	70,155,822	10,180,000	9,162,000	7,431,400
10.395	11.742	11.034	11.516	11.217	12.438
11.134	12.463	12.152	9.075	12.396	12.831
8.009	7.616	9.967	9.333	9.576	7.344
1.422	1.513	1.880	1.741	1.708	1.606
6	8	7	4	6	5
70,031	76,524	76,364	36,430	56,500	70,000

City of Texarkana, Texas
Statistical Section
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Schedule 24

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government				
Buildings	4	4	4	4
Public safety				
Police Stations	1	1	1	1
Number of vehicles	65	72	80	72
Fire Stations	5	5	5	5
Fire Apparatus	9	7	9	9
Other motorized vehicles	8	8	8	9
Public works				
Buildings	4	4	4	4
Streets (miles)	259	260	261	262
Paved alleys	8	8	8	8
Unpaved alleys	15	15	15	15
Storm sewers	31	31	32	33
Streetlights	3,200	3,200	3,200	3,250
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	26	24	26	25
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	1	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	9
Soccer fields	12	10	12	13
Restroom facilities	17	18	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)

2017	2018	2019	2020	2021	2022
4	4	4	4	4	4
1	1	1	1	1	1
74	74	69	70	72	73
5	5	5	5	5	5
9	9	9	9	9	10
8	11	9	9	9	10
4	4	4	4	4	4
262	262	262	262	262	263
8	8	8	8	8	8
15	15	15	15	15	15
33	33	33	33	33	34
3,250	3,250	3,250	3,250	3,250	3,500
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	27	28	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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Health and Welfare					
Buildings	1	1	1	1	1
Water					
Water mains (miles)	479	483	486	473	498
Water connections	13,133	13,170	13,224	13,285	1,377
Fire hydrants	2,115	2,139	2,169	2,183	2,188
Plant capacity (million gallons per day)	18	18	18	18	18
Wastewater					
Sanitary sewer mains (miles)	340	337	342	336	357
Sewer connections	12,584	12,622	12,677	12,719	12,774
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)

2018	2019	2020	2021	2022
1	1	1	1	1
477	476	465	465	475
13,418	13,483	12,946	12,222	13,774
2,136	2,144	2,088	2,088	2,106
18	18	18	18	18
347	344	349	349	349
12,826	12,855	10,626	11,610	12,244
20	20	20	20	20
1	1	1	1	1
1,200	1,200	1,200	1,235	1,235
6,601	6,601	6,601	6,601	6,601