

*ANNUAL FINANCIAL REPORT*

of the

**CITY OF MANVEL, TEXAS**

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

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# CITY OF MANVEL, TEXAS

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***INTRODUCTORY SECTION***

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**CITY OF MANVEL, TEXAS**  
**PRINCIPAL OFFICIALS**  
September 30, 2023

<b>City Officials</b>	<b>Elective Position</b>
Dan Davis	Mayor
David Lands	Council Member
Harry Opliger	Council Member
Ed Perry	Council Member
Jerome Hudson	Council Member
Larry Akery	Council Member
Crystal Sarmiento	Council Member

<b>Key Staff</b>	<b>Position</b>
Daniel Johnson	City Manager
Rosie Danaire	Director of Finance
Bobby Gervais	City Attorney
Tammy Bell	City Secretary
Keith Traylor	Police Chief
Robbie Hall	Public Works Director
Chad Dumont	Personnel Director
Brooke Cyphers	Public Information Officer

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***FINANCIAL SECTION***

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## ***INDEPENDENT AUDITORS' REPORT***

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

### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibility of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

## **Required Supplementary Information**

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

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

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

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

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
March 11, 2024

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

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

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

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

1. *Governmental Activities* – Most of the City's basic services are reported here including general government; public safety; public works; municipal court; information technology; and library, parks, and recreation. Interest payments on the City's debt are also reported here. Sales tax, property tax, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water distribution and wastewater collection/treatment.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate economic development corporation, 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 after the MD&A.

## **FUND FINANCIAL STATEMENTS**

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

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

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

The City maintains 14 individual 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 the capital projects fund, which are considered to be major funds for reporting purposes.

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

The City adopts an annual appropriated budget for its general fund, debt service fund, hotel taxes fund, court security fund, court technology fund, TIRZ No. 3 fund, South Manvel Development Authority fund, community impact fund, law enforcement fund, park fund, the public education government (PEG) fees fund, municipal jury fund, and truancy prevention fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with the budgets.

**Proprietary Funds**

The City maintains two types of proprietary funds. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its water distribution and wastewater collection/treatment. The proprietary fund financial statements provide separate information for the water distribution and wastewater collection/treatment operations. The proprietary fund financial statements can be found in the basic financial statements of this report.

The City also uses an internal service fund to account for vehicle and equipment replacement costs. This internal service fund has been included within governmental activities in the government-wide financial statements.

**Notes to Financial Statements**

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

**Other Information**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$38,118,037 as of year end for the primary government. A portion of the City's net position, 59%, reflects its investments in capital assets (e.g., land, buildings, equipment, streets, and drainage systems) 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 assets themselves cannot be used to liquidate these liabilities.

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

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

	Governmental		Business-Type		Reconciliation		Reconciled	
	Activities		Activities				Total	Primary
	2023	2022	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 61,915,111	\$ 27,898,118	\$ 1,564,784	\$ 1,126,464	\$ -	\$ -	\$ 63,479,895	\$ 29,024,582
Capital assets, net	20,842,353	19,713,314	15,302,758	14,032,960	-	-	36,145,111	33,746,274
<b>Total Assets</b>	<b>82,757,464</b>	<b>47,611,432</b>	<b>16,867,542</b>	<b>15,159,424</b>	<b>-</b>	<b>-</b>	<b>99,625,006</b>	<b>62,770,856</b>
Deferred charge on refunding	4,075	5,433	-	-	-	-	4,075	5,433
Deferred outflows - pensions	811,939	455,707	61,223	20,515	-	-	873,162	476,222
Deferred outflows - OPEB	27,226	32,399	-	-	-	-	27,226	32,399
<b>Total Deferred Outflows of Resources</b>	<b>843,240</b>	<b>493,539</b>	<b>61,223</b>	<b>20,515</b>	<b>-</b>	<b>-</b>	<b>904,463</b>	<b>514,054</b>
Long-term liabilities	55,389,971	21,666,020	108,728	22,934	-	-	55,498,699	21,688,954
Other liabilities	6,522,597	6,380,129	237,246	252,899	-	-	6,759,843	6,633,028
<b>Total Liabilities</b>	<b>61,912,568</b>	<b>28,046,149</b>	<b>345,974</b>	<b>275,833</b>	<b>-</b>	<b>-</b>	<b>62,258,542</b>	<b>28,321,982</b>
Deferred inflows - pensions	91,706	397,653	6,915	23,024	-	-	98,621	420,677
Deferred inflows - OPEB	54,269	10,082	-	-	-	-	54,269	10,082
<b>Total Deferred Inflows of Resources</b>	<b>145,975</b>	<b>407,735</b>	<b>6,915</b>	<b>23,024</b>	<b>-</b>	<b>-</b>	<b>152,890</b>	<b>430,759</b>
<b>Net Position:</b>								
Net investment in capital assets	9,616,479	8,603,733	15,302,758	14,032,960	(2,528,927)	(3,381,987)	22,390,310	19,254,706
Restricted	6,105,067	6,445,693	-	-	-	-	6,105,067	6,445,693
Unrestricted	5,820,615	4,601,661	1,273,118	848,122	2,528,927	3,381,987	9,622,660	8,831,770
<b>Total Net Position</b>	<b>\$ 21,542,161</b>	<b>\$ 19,651,087</b>	<b>\$ 16,575,876</b>	<b>\$ 14,881,082</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,118,037</b>	<b>\$ 34,532,169</b>

A portion of the primary government's net position, \$6,105,067, represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position, \$9,622,660, may be used to meet the City's ongoing obligation to citizens and creditors.

Net position increased by \$3,585,868 compared to the prior year. Total current fiscal year assets increased by \$36,854,150 from the prior fiscal year. This increase in total assets includes an increase in capital assets of \$2,398,837 and an increase in current and other assets of \$34,455,313, which was primarily due to proceeds from debt issuances that were unspent at the end of the fiscal year. Total liabilities increased by \$33,936,560 from the prior year, which was primarily due to the issuance of debt. There was an increase in deferred outflows of resources and a decrease in deferred inflows of resources, which was primarily due to the change in deferred outflows and inflows that are related to the City's net pension liability.

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

**Statement of Activities**

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 4,030,062	\$ 4,863,237	\$ 2,011,611	\$ 1,648,816	\$ 6,041,673	\$ 6,512,053
Operating grants and contributions	306,527	-	-	-	306,527	-
General revenues:						
Property taxes	8,510,353	6,496,144	-	-	8,510,353	6,496,144
Sales taxes	2,471,754	2,218,512	-	-	2,471,754	2,218,512
Other taxes and fees	860,435	709,416	-	-	860,435	709,416
Investment earnings	2,010,475	188,428	-	-	2,010,475	188,428
Other revenues	24,933	117,303	-	-	24,933	117,303
<b>Total Revenues</b>	<b>18,214,539</b>	<b>14,593,040</b>	<b>2,011,611</b>	<b>1,648,816</b>	<b>20,226,150</b>	<b>16,241,856</b>
<b>Expenses</b>						
General government	5,217,693	4,355,799	-	-	5,217,693	4,355,799
Public safety	4,846,541	4,380,747	-	-	4,846,541	4,380,747
Public works	2,612,606	1,992,306	-	-	2,612,606	1,992,306
Library, parks, and recreation	93,327	89,761	-	-	93,327	89,761
Information technology	507,310	542,234	-	-	507,310	542,234
Interest and fiscal agent fees on long-term debt	1,545,640	587,771	-	-	1,545,640	587,771
Water and sewer	-	-	1,817,165	1,685,774	1,817,165	1,685,774
<b>Total Expenses</b>	<b>14,823,117</b>	<b>11,948,618</b>	<b>1,817,165</b>	<b>1,685,774</b>	<b>16,640,282</b>	<b>13,634,392</b>
<b>Increase (Decrease) in Net Position Before Transfers</b>	<b>3,391,422</b>	<b>2,644,422</b>	<b>194,446</b>	<b>(36,958)</b>	<b>3,585,868</b>	<b>2,607,464</b>
Transfers in (out)	(1,500,348)	(2,910,231)	1,500,348	2,910,231	-	-
<b>Change in Net Position</b>	<b>1,891,074</b>	<b>(265,809)</b>	<b>1,694,794</b>	<b>2,873,273</b>	<b>3,585,868</b>	<b>2,607,464</b>
Beginning net position	19,651,087	19,916,896	14,881,082	12,007,809	34,532,169	31,924,705
<b>Ending Net Position</b>	<b>\$ 21,542,161</b>	<b>\$ 19,651,087</b>	<b>\$ 16,575,876</b>	<b>\$ 14,881,082</b>	<b>\$ 38,118,037</b>	<b>\$ 34,532,169</b>

For the year ended September 30, 2023, revenues from governmental activities totaled \$18,214,539. Current fiscal year revenues increased by \$3,621,499. The net change in revenues included a significant increase in property tax revenues of \$2,014,209 due to an increase in the assessed values of properties within the City and an increase in investment earnings of \$1,822,047 due to higher interest rates earned on investments. The net increase in revenues also includes a significant decrease in revenues for charges for services of \$833,175 primarily due to less revenues received for permits.

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

For the year ended September 30, 2023, expenses for governmental activities totaled \$14,823,117. Total expenses increased \$2,874,499 compared to the prior year, which can be attributed primarily to increases in personnel costs and interests expense from debt.

Business-type activities net position increased by \$1,694,794. Current year revenues increased \$362,795 compared to the prior year mainly due to an increase in total billings related to an increase in utility billing rates. Current year expenses increased by \$131,391 primarily due to an increase in costs related to maintenance on the water and wastewater infrastructure.

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

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

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

The City's governmental funds reflect a combined fund balance of \$54,818,645. Of this, \$433,354 is restricted for debt service, \$1,110,758 is restricted by enabling legislation, \$1,014,928 is restricted for a tax increment reinvestment zone, \$43,577,063 is restricted for capital projects, \$210,964 is restricted for special projects, \$291,798 is committed for road maintenance, \$23,189 is nonspendable in the form of prepaid items, and \$8,156,591 is unassigned.

The general fund had an increase in fund balance of \$31,719. The general fund reported a fund balance of \$8,471,578 at year end. The general fund fund balance makes up approximately 67% of the annual general fund expenditures. Compared to the prior year, revenues increased \$500,149 which was mainly due to an increase in property tax revenues related to an increase in the assessed values of properties within the City along with an increase in property tax rates. Expenditures increased \$1,066,434 compared to the prior year. Expenditures primarily increased due to an increase in personnel cost. The change in general fund balance also included transfers from nonmajor funds of \$576,010 for reimbursement of services for the South Manvel Development Authority and transfers to the capital projects fund of \$450,000.

The debt service fund had a decrease in fund balance of \$2,105, which is due to property tax revenues collected being less than the debt service payments.

The capital projects fund had a fund balance of \$43,577,063, which was an increase of \$33,753,157 compared to the prior year due mainly to an increase from proceeds related to debt issuances.

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Actual revenues were less than the final budgeted revenues by a net \$749,998, which is primarily due to less licenses and permits revenues than expected. General fund expenditures were less than the final budget by \$1,020,707 during the year due primarily to positive budget variances in expenditures for general government, public safety, public works, and information technology.

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

**CAPITAL ASSETS**

At the end of the year, the City's governmental and business-type activities had invested \$36,145,111 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$2,398,837 from the prior year.

Major capital asset events during the year included the following:

- Construction in progress for the City's municipal complex of \$646,226
- Purchase of City equipment and vehicles of \$675,777
- Wastewater improvements of \$1,109,896

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

**LONG-TERM DEBT**

At the end of the current year, the City had total general obligation bonds and certificates of obligation of \$51,495,000. Of this amount, \$710,000 represents general obligation bonds and \$50,785,000 represents certificates of obligation.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The City Council approved a \$15,228,534 general fund budget for the 2023-2024 fiscal year. The tax rate adopted for the fiscal year 2023-2024 budget will be \$0.56 per \$100 in property valuation, which is a \$0.01 decrease from fiscal year 2022-2023. The budget will raise more revenue from property taxes than last year's budget by approximately \$3,018,875 due to an increase in property values.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Director, City of Manvel, 20025 Highway 6, Manvel, Texas 77578 or by telephone at 281.489.0630.

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***BASIC FINANCIAL STATEMENTS***

# CITY OF MANVEL, TEXAS

## STATEMENT OF NET POSITION

September 30, 2023

	Primary Government			
	Governmental Activities	Business-Type Activities	Reconciliation	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 17,425,979	\$ 985,182	\$ -	\$ 18,411,161
Receivables, net	1,141,009	392,665	-	1,533,674
Due from other governments	-	4,091	-	4,091
Prepaid items	23,189	-	-	23,189
Restricted assets:				
Cash and investments	43,324,934	182,846	-	43,507,780
<b>Total Current Assets</b>	61,915,111	1,564,784	-	63,479,895
Noncurrent assets:				
Nondepreciable	13,647,289	6,257,492	-	19,904,781
Net depreciable	7,195,064	9,045,266	-	16,240,330
<b>Total Noncurrent Assets</b>	20,842,353	15,302,758	-	36,145,111
<b>Total Assets</b>	82,757,464	16,867,542	-	99,625,006
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	4,075	-	-	4,075
Deferred outflows - pensions	811,939	61,223	-	873,162
Deferred outflows - OPEB	27,226	-	-	27,226
<b>Total Deferred Outflows of Resources</b>	843,240	61,223	-	904,463
<b>Liabilities</b>				
Accounts payable and accrued liabilities	866,891	54,400	-	921,291
Customer deposits	-	182,846	-	182,846
Accrued interest payable	252,066	-	-	252,066
Due to component unit	232,464	-	-	232,464
Unearned revenue	5,171,176	-	-	5,171,176
<b>Total Current Liabilities</b>	6,522,597	237,246	-	6,759,843
Noncurrent liabilities:				
Long-term liabilities due within one year	2,038,565	10,216	-	2,048,781
Long-term liabilities due in more than one year	53,351,406	98,512	-	53,449,918
<b>Total Noncurrent Liabilities</b>	55,389,971	108,728	-	55,498,699
<b>Total Liabilities</b>	61,912,568	345,974	-	62,258,542
<b>Deferred Inflows of Resources</b>				
Deferred inflows - pensions	91,706	6,915	-	98,621
Deferred inflows - OPEB	54,269	-	-	54,269
<b>Total Deferred Inflows of Resources</b>	145,975	6,915	-	152,890
<b>Net Position</b>				
Net investment in capital assets	9,616,479	15,302,758	(2,528,927)	22,390,310
Restricted for:				
Debt service	202,238	-	-	202,238
Enabling legislation	1,110,758	-	-	1,110,758
Tax increment reinvestment zone	1,014,928	-	-	1,014,928
Special projects	210,964	-	-	210,964
Capital projects	3,566,179	-	-	3,566,179
Manvel Economic Development Corporation	-	-	-	-
Unrestricted	5,820,615	1,273,118	2,528,927	9,622,660
<b>Total Net Position</b>	\$ 21,542,161	\$ 16,575,876	\$ -	\$ 38,118,037

See Notes to Financial Statements.



# CITY OF MANVEL, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government</b>			
<b>Governmental Activities</b>			
General government	\$ 5,217,693	\$ -	\$ -
Public safety	4,846,541	272,548	2,171
Public works	2,612,606	3,757,514	304,356
Library, parks, and recreation	93,327	-	-
Information technology	507,310	-	-
Interest and fiscal agent fees on long-term debt	1,545,640	-	-
<b>Total Governmental Activities</b>	<b>14,823,117</b>	<b>4,030,062</b>	<b>306,527</b>
<b>Business-Type Activities</b>			
Water and sewer	1,817,165	2,011,611	-
<b>Total Business-Type Activities</b>	<b>1,817,165</b>	<b>2,011,611</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 16,640,282</b>	<b>\$ 6,041,673</b>	<b>\$ 306,527</b>
<b>Component Unit</b>			
Manvel Economic Development Corporation	\$ 10,460	\$ -	\$ -
<b>Total Component Unit</b>	<b>\$ 10,460</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Revenues:</b>			
Taxes			
Property taxes			
Sales taxes			
Other taxes and fees			
Investment earnings			
Other revenues			
Transfers			
<b>Total General Revenues and Transfers</b>			
<b>Change in Net Position</b>			
Beginning net position			
<b>Ending Net Position</b>			

See Notes to Financial Statements.

<b>Net (Expense) Revenue and Changes in Net Position</b>			<b>Component</b>
<b>Primary Government</b>			<b>Unit</b>
<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>	<b>Manvel</b>
<b>Activities</b>	<b>Activities</b>		<b>Economic</b>
			<b>Dev. Corp.</b>
\$ (5,217,693)	\$ -	\$ (5,217,693)	\$ -
(4,571,822)	-	(4,571,822)	-
1,449,264	-	1,449,264	-
(93,327)	-	(93,327)	-
(507,310)	-	(507,310)	-
<u>(1,545,640)</u>	<u>-</u>	<u>(1,545,640)</u>	<u>-</u>
<u>(10,486,528)</u>	<u>-</u>	<u>(10,486,528)</u>	<u>-</u>
<u>-</u>	<u>194,446</u>	<u>194,446</u>	<u>-</u>
<u>-</u>	<u>194,446</u>	<u>194,446</u>	<u>-</u>
<u>(10,486,528)</u>	<u>194,446</u>	<u>(10,292,082)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,460)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,460)</u>
8,510,353	-	8,510,353	-
2,471,754	-	2,471,754	1,235,877
860,435	-	860,435	-
2,010,475	-	2,010,475	201,215
24,933	-	24,933	-
<u>(1,500,348)</u>	<u>1,500,348</u>	<u>-</u>	<u>-</u>
<u>12,377,602</u>	<u>1,500,348</u>	<u>13,877,950</u>	<u>1,437,092</u>
<u>1,891,074</u>	<u>1,694,794</u>	<u>3,585,868</u>	<u>1,426,632</u>
<u>19,651,087</u>	<u>14,881,082</u>	<u>34,532,169</u>	<u>4,673,639</u>
<u>\$ 21,542,161</u>	<u>\$ 16,575,876</u>	<u>\$ 38,118,037</u>	<u>\$ 6,100,271</u>

# CITY OF MANVEL, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

September 30, 2023

	General	Debt Service	Capital Projects	Nonmajor Governmental
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 10,676,326	\$ 432,950	\$ 3,250,381	\$ 2,312,858
Restricted cash and cash equivalents	-	-	43,324,934	-
Receivables, net	875,608	21,354	219,565	24,482
Prepaid items	23,189	-	-	-
<b>Total Assets</b>	<b>\$ 11,575,123</b>	<b>\$ 454,304</b>	<b>\$ 46,794,880</b>	<b>\$ 2,337,340</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 788,487	\$ -	\$ 71,916	\$ 690
Unearned revenue	2,025,275	-	3,145,901	-
Due to other governments	232,464	-	-	-
<b>Total Liabilities</b>	<b>3,046,226</b>	<b>-</b>	<b>3,217,817</b>	<b>690</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	57,319	20,950	-	-
<b>Total Deferred Inflows of Resources</b>	<b>57,319</b>	<b>20,950</b>	<b>-</b>	<b>-</b>
<b><u>Fund Balances</u></b>				
Nonspendable:				
Prepaid items	23,189	-	-	-
Restricted for:				
Debt service	-	433,354	-	-
Enabling legislation	-	-	-	1,110,758
Tax increment reinvestment zone	-	-	-	1,014,928
Capital projects	-	-	43,577,063	-
Special projects	-	-	-	210,964
Committed for:				
Road maintenance	291,798	-	-	-
Unassigned	8,156,591	-	-	-
<b>Total Fund Balances</b>	<b>8,471,578</b>	<b>433,354</b>	<b>43,577,063</b>	<b>2,336,650</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 11,575,123</b>	<b>\$ 454,304</b>	<b>\$ 46,794,880</b>	<b>\$ 2,337,340</b>

See Notes to Financial Statements.

**Total  
Governmental  
Funds**

\$ 16,672,515  
43,324,934  
1,141,009  
23,189  
\$ 61,161,647

\$ 861,093  
5,171,176  
232,464  
6,264,733

78,269  
78,269

23,189

433,354  
1,110,758  
1,014,928  
43,577,063  
210,964

291,798  
8,156,591  
54,818,645

\$ 61,161,647

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

Total fund balances – total governmental funds \$ 54,818,645

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

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Capital assets – nondepreciable	13,647,289
Capital assets – net depreciable	6,443,395

The issuance of long-term debt (e.g., bonds, certificates of obligation, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

Deferred charge on refunding	4,075
Accrued interest	(252,066)
Noncurrent liabilities due in one year	(2,038,565)
Noncurrent liabilities due in more than one year	(52,043,105)

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.

78,269

An internal service fund is used by management to charge the costs of certain capital assets and maintenance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.

1,499,335

Some items reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported within governmental funds.

Net pension liability	(1,219,244)
Total OPEB liability	(89,057)
Deferred outflows - pensions	811,939
Deferred outflows - OPEB	27,226
Deferred inflows - pensions	(91,706)
Deferred inflows - OPEB	(54,269)

<b>Net Position of Governmental Activities</b>	<b>\$ 21,542,161</b>
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See Notes to Financial Statements.

# CITY OF MANVEL, TEXAS

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

For the Year Ended September 30, 2023

	General	Debt Service	Capital Projects	Nonmajor Governmental
<b>Revenues</b>				
Property taxes	\$ 4,758,544	\$ 3,001,726	\$ -	\$ 749,032
Sales taxes	2,436,647	-	-	35,107
Other taxes and fees	765,361	-	-	95,074
Charges for services	12,588	-	-	86,087
Licenses and permits	3,658,839	-	-	-
Fines and forfeitures	239,953	-	-	32,595
Intergovernmental	2,171	-	304,356	-
Investment earnings	616,912	49,374	1,320,384	23,805
Other revenues	24,933	-	-	-
<b>Total Revenues</b>	12,515,948	3,051,100	1,624,740	1,021,700
<b>Expenditures</b>				
<b>Current:</b>				
General government	5,148,591	-	-	74,408
Public safety	4,843,573	-	-	-
Public works	2,017,438	-	-	-
Library, parks, and recreation	93,327	-	-	-
Information technology	507,310	-	-	-
<b>Capital outlay</b>	-	-	3,559,793	-
<b>Debt service:</b>				
Principal	-	2,050,000	-	-
Interest and fiscal charges	-	1,003,205	-	-
Issuance costs	-	-	423,086	-
<b>Total Expenditures</b>	12,610,239	3,053,205	3,982,879	74,408
<b>Other Financing Sources (Uses)</b>				
Transfers in	576,010	-	683,907	1,051,983
Transfers (out)	(450,000)	-	-	(1,861,900)
Bond proceeds	-	-	33,530,000	-
Bond premium	-	-	1,897,389	-
<b>Total Other Financing Sources (Uses)</b>	126,010	-	36,111,296	(809,917)
<b>Net Change in Fund Balances</b>	31,719	(2,105)	33,753,157	137,375
Beginning fund balances	8,439,859	435,459	9,823,906	2,199,275
<b>Ending Fund Balances</b>	\$ 8,471,578	\$ 433,354	\$ 43,577,063	\$ 2,336,650

See Notes to Financial Statements.

**Total  
Governmental  
Funds**

\$ 8,509,302  
2,471,754  
860,435  
98,675  
3,658,839  
272,548  
306,527  
2,010,475  
24,933  
18,213,488

5,222,999  
4,843,573  
2,017,438  
93,327  
507,310  
3,559,793

2,050,000  
1,003,205  
423,086

19,720,731

2,311,900  
(2,311,900)  
33,530,000  
1,897,389

35,427,389

33,920,146

20,898,499

\$ 54,818,645

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

Net changes in fund balances - total governmental funds \$ 33,920,146

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

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

Capital additions from capital outlay, net of disposals	3,321,502
Capital contributions to enterprise fund	(1,500,348)
Depreciation expense	(693,285)

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

Net change in unavailable revenue - property taxes	1,051
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The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Bond issuance	(33,530,000)
Premium	(1,897,389)
Amortization of premium	59,754
Amortization of deferred charge	(1,358)
Accrued interest	(177,745)
Principal payments	2,050,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These adjustments reflect the net changes in pension and other postemployment benefits activity and compensated absences.

Net pension liability	(437,949)
Total OPEB liability	34,671
Deferred outflows - pensions	356,232
Deferred outflows - OPEB	(5,173)
Deferred inflows - pensions	305,947
Deferred inflows - OPEB	(44,187)
Compensated absences	(3,038)

An internal service fund is used by management to charge the costs of certain capital assets and maintenance to individual funds. The net revenue (expense) is reported with governmental activities.

132,243

**Change in Net Position of Governmental Activities** \$ 1,891,074

See Notes to Financial Statements.

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# CITY OF MANVEL, TEXAS

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

September 30, 2023

	Business-Type Activities Enterprise	Governmental Activities Internal Service
<b><u>Assets</u></b>		
Current assets:		
Cash and cash equivalents	\$ 985,182	\$ 753,464
Receivables, net	392,665	-
Due from other governments	4,091	-
<b>Total Current Assets</b>	<b>1,381,938</b>	<b>753,464</b>
Restricted cash and cash equivalents:		
Customer deposits	182,846	-
Noncurrent assets:		
Capital assets:		
Land	4,418,536	-
Construction in progress	1,838,956	-
Water/sewer system	12,188,070	-
Machinery and equipment	460,363	1,583,528
Less: accumulated depreciation	(3,603,167)	(831,859)
<b>Total Noncurrent Assets</b>	<b>15,302,758</b>	<b>751,669</b>
<b>Total Assets</b>	<b>16,867,542</b>	<b>1,505,133</b>
<b><u>Deferred Outflows of Resources</u></b>		
Deferred outflows - pensions	61,223	-
<b><u>Liabilities</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	54,400	5,798
Customer deposits	182,846	-
<b>Total Current Liabilities</b>	<b>237,246</b>	<b>5,798</b>
Noncurrent liabilities:		
Net pension liability	91,936	-
Long-term debt due in one year	10,216	-
Long-term debt due in more than one year	6,576	-
<b>Total Noncurrent Liabilities</b>	<b>108,728</b>	<b>-</b>
<b>Total Liabilities</b>	<b>345,974</b>	<b>5,798</b>
<b><u>Deferred Inflows of Resources</u></b>		
Deferred inflows - pensions	6,915	-
<b><u>Net Position</u></b>		
Net investment in capital assets	15,302,758	751,669
Unrestricted	1,273,118	747,666
<b>Total Net Position</b>	<b>\$ 16,575,876</b>	<b>\$ 1,499,335</b>

See Notes to Financial Statements.

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**CITY OF MANVEL, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**

For the Year Ended September 30, 2023

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise</b>	<b>Internal Service</b>
<b><u>Operating Revenues</u></b>		
Water charges	\$ 1,061,151	\$ -
Sewer charges	633,952	-
Other revenues	316,508	280,000
<b>Total Operating Revenues</b>	<b>2,011,611</b>	<b>280,000</b>
<b><u>Operating Expenses</u></b>		
Personnel services	572,577	-
Utilities	139,682	-
Supplies	260,789	-
Repair and maintenance	471,552	-
Depreciation	372,565	147,757
<b>Total Operating Expenses</b>	<b>1,817,165</b>	<b>147,757</b>
<b>Operating Income</b>	<b>194,446</b>	<b>132,243</b>
<b>Income Before Contributions</b>	<b>194,446</b>	<b>132,243</b>
<b><u>Contributions</u></b>		
Capital contributions	1,500,348	-
<b>Total Contributions</b>	<b>1,500,348</b>	<b>-</b>
<b>Change in Net Position</b>	<b>1,694,794</b>	<b>132,243</b>
Beginning net position	14,881,082	1,367,092
<b>Ending Net Position</b>	<b>\$ 16,575,876</b>	<b>\$ 1,499,335</b>

See Notes to Financial Statements.

# CITY OF MANVEL, TEXAS

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2023

	Business-Type Activities Enterprise	Governmental Activities Internal Service
<b><u>Cash Flows from Operating Activities</u></b>		
Receipts from customers and users	\$ 1,766,288	\$ 280,000
Payments to suppliers	(857,641)	-
Payments to employees	(572,577)	-
<b>Net Cash Provided by Operating Activities</b>	336,070	280,000
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>		
Acquisition and construction of capital assets	(142,015)	(170,724)
Proceeds from sale of assets	-	27,595
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	(142,015)	(143,129)
<b>Net Increase in Cash and Cash Equivalents</b>	194,055	136,871
Beginning cash and cash equivalents	973,973	616,593
<b>Ending Cash and Cash Equivalents</b>	\$ 1,168,028	\$ 753,464
<b>Ending Cash and Cash Equivalents:</b>		
Unrestricted cash and cash equivalents	\$ 985,182	\$ 753,464
Restricted cash and cash equivalents	182,846	-
<b>Total Ending Cash and Cash Equivalents</b>	\$ 1,168,028	\$ 753,464

# CITY OF MANVEL, TEXAS

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2023

	Business-Type Activities	Governmental Activities
	Enterprise	Internal Service
<b><u>Reconciliation of Operating Income (Loss)</u></b>		
<b><u>to Net Cash Provided (Used) by Operating Activities</u></b>		
Operating income	\$ 194,446	\$ 132,243
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	372,565	147,757
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in:		
Accounts receivable	(224,139)	-
Prepaid items	24	-
Deferred outflows - pensions	(40,708)	-
Increase (Decrease) in:		
Accounts payable and accrued liabilities	(47,807)	-
Net pension liability	78,298	-
Customer deposits	19,500	-
Deferred inflows - pensions	(16,109)	-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 336,070</b>	<b>\$ 280,000</b>
 <b>Noncash Investing Activities:</b>		
Capital contributions	\$ 1,500,348	\$ -

See Notes to Financial Statements.

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**CITY OF MANVEL, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Manvel (the “City”) is a political subdivision of the State of Texas (the “State”) and is considered a primary government. The voters elected on May 14, 2011 to adopt a Home Rule Charter for the City, and the election was canvassed on May 23, 2011. The municipal government provided by the Charter shall be known as a “Council-Manager” form of government. Pursuant to the provisions of, and subject only to the limitations imposed by, the state constitution, state laws, and the charter, all powers of the City shall be vested in an elective council, hereinafter referred to as the “City Council” or the “Council”, which consists of a mayor and six Council members. The Council, by majority vote of the entire Council, shall appoint a City manager, who shall be the chief administrative officer of the City. The City appointed a full-time City manager on January 16, 2012.

The City provides the following services: public safety; public works; library, parks, and recreation; information technology; water and sewer; economic development; and general administrative services.

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

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

**Discretely Presented Component Units**

**Manvel Economic Development Corporation**

The Manvel Economic Development Corporation (the “Corporation”) has been included in the reporting entity as a discretely presented component unit. The mission of the Corporation is to promote economic development within the City and surrounding areas. In 1998, the City’s voters authorized a 0.5% increase in the City’s sales tax rate to provide funding for the Corporation. The Board of Directors (the “Board”) of the Corporation is appointed and may be terminated by City Council. The Board is comprised of seven directors elected to serve two-year terms. The Corporation is required to prepare an annual budget that is approved by City Council. As a discretely presented component unit, the Corporation is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

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

**Manvel Cultural Education Facilities Finance Corporation**

The Manvel Cultural Education Facilities Finance Corporation (MCEFFC) was organized on September 23, 2002 pursuant to the Texas Cultural Education Facilities Finance Corporation Act. The members of the Board are appointed by City Council. The MCEFFC does not pass an annual budget and has a September 30 year end. The MCEFFC issues bonds to finance or refinance educational facilities. The borrower receives a more favorable interest rate, and the MCEFFC receives a fee for issuing these bonds. These bonds are limited obligations of the MCEFFC, payable solely from revenues received by the MCEFFC pursuant to a loan agreement by and between the MCEFFC and the borrower, as further secured by a deed of trust on certain real property of the borrower securing payments under such loan agreements. Therefore, the MCEFFC has no responsibility for the payment of this debt. The related loan agreements and bonds payable have not been recorded in the financial statements of the City. The only activity reported in the financial statements of the City are fees relating to issuance of the debt obligations. These fees are reported in the City's general fund. The City did not report any activities for the MCEFFC during fiscal year 2023.

**Manvel Education Facilities Corporation**

The Manvel Education Facilities Corporation (MEFC) was organized on June 12, 2001 pursuant to the Higher Education Authority Act. The members of the Board are appointed by City Council. The MEFC does not pass an annual budget and has a September 30 year end. The MEFC issues bonds to finance or refinance educational facilities. The borrower receives a more favorable interest rate, and the MEFC receives a fee for issuing these bonds. These bonds are limited obligations of the MEFC, payable solely from revenues received by the MEFC pursuant to a loan agreement by and between the MEFC and the borrower, as further secured by a deed of trust on certain real property of the borrower securing payments under such loan agreements. Therefore, the MEFC has no responsibility for the payment of this debt. The related loan agreements and bonds payable have not been recorded in the financial statements of the City. The only activity reported in the financial statements of the City are fees relating to issuance of the debt obligations. These fees are reported in the City's general fund. The City did not report any activities for the MEFC during fiscal year 2023.

**Blended Component Units**

**Tax Increment Reinvestment Zone Number Three**

During fiscal year 2010, the City passed an ordinance creating a tax increment reinvestment zone ("TIRZ No. 3"), in accordance with Section 311.005 of the Texas Tax Code. TIRZ No. 3 consists of approximately 2,403.78 acres, which will be developed into the Seven Oaks/Meridiana Project. TIRZ No. 3 will provide the financing and management tools needed to help stimulate the development of commercial and residential areas within TIRZ No. 3. TIRZ No. 3 is managed by a five member Board, of which the City Council appoints positions one through four and position five is appointed by Brazoria County. TIRZ No. 3 has a life of 40 years and has committed 50% of its sales tax and 100% of its property tax, less cost of service, for the duration, or until dissolved by the City. Brazoria County has committed 40% of its property tax beginning in 2013 (unless an earlier date is agreed to) for a period of 30 years from the first year payment.

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

**South Manvel Development Authority**

Upon the recommendation of the TIRZ No. 3 Board, the City Council authorized the submission of an application for formation of the South Manvel Development Authority (SMDA). SMDA is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the area included in TIRZ No. 3, as such boundaries may be amended from time to time, and neighboring areas and to promote, develop, encourage, and maintain housing, educational facilities, employment, commerce, and economic development in the City. SMDA was created on February 14, 2011, pursuant to the provisions of Subchapter D of Chapter 431, Texas Transportation Code, and Chapter 394, Texas Local Government Code. All powers of SMDA shall be vested in a board comprised of the same five Board members as TIRZ No. 3.

**B. Government-Wide Financial Statements**

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

**C. Basis of Presentation – Government-Wide Financial Statements**

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

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

**D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the City's funds, including its blended component units. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following governmental funds:

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

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

The *debt service fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *capital projects fund* is used to account for the expenditures of resources accumulated from the sales of bonds, as well as related interest earnings for capital improvement projects. The capital projects fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue funds include hotel taxes, court security, court technology, TIRZ No. 3, South Manvel Development Authority, community impact, law enforcement, park, public education government (PEG) fee, municipal jury, and truancy prevention funds. These funds are considered nonmajor funds for reporting purposes.

The City reports the following proprietary fund:

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

Additionally, the City reports the following fund type:

The *internal service fund* accounts for services provided to other departments of the City, or to other governments, on a cost reimbursement basis. The internal service fund is used to account for vehicle and equipment costs.

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

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

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as

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

*current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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

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

**1. Cash and Cash Equivalents**

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

**2. Investments**

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

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

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

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

**3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) and are recognized as expenditures when utilized.

**4. Restricted Assets**

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements. Restricted assets of the capital projects fund, enterprise fund, and the Corporation are restricted by bond covenants, customers deposits, and contractual agreements.

**5. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Major road improvements of \$50,000 or more are also recorded as capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

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

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

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Machinery and equipment	5 to 7 years
Buildings, improvements, and roads	10 to 60 years
Water and sewer system	55 years

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

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

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

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**7. Interfund Activity**

Interfund activity results from loans, services provided, reimbursements, or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidations. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as a single "Transfers" line on the government-wide Statement of Activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line in the government-wide Statement of Net Position.

**8. Compensated Employee Absences**

It is the City's policy to permit employees to accumulate earned but unused personal leave on a monthly basis up to a maximum of two times the employee's current accrual rate. Accrual rates are based upon the years of service. Compensatory time not used can also be accumulated. Non-exempt employees may accrue compensatory time in lieu of being paid overtime compensation. Public safety employees are subject to a 480 hours cap on the accrual of compensatory time. Other employees are subject to a cap of 240 hours. Personal leave and compensatory time amounts accumulated may be paid to employees upon termination of employment or at retirement.

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

The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

**9. 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, if material. Bonds payable are reported net of applicable bond premium or discount.

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

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

**10. Leases**

The City is a lessee for noncancellable leases of equipment. The City would recognize a lease liability and an intangible, right-to-use lease asset (the “lease asset”) in the government-wide financial statements for the noncancellable leases of equipment. The City’s leases are immaterial to the financial statements as a whole and are not recognized as a lease liability or a lease asset. The total payments on the lease of equipment are reported as operational cost.

The City is a lessor for a noncancellable lease of City property. The City would recognize a lease receivable and deferred inflows of resources from leases in the general fund and governmental activities for the noncancellable lease of City property. The City’s lease receivable and deferred inflows of resources from leases are immaterial to the financial statement as a whole and not reported. The City’s lease receipts for the lease of City property is reported as revenue in the general fund.

**11. Subscription-Based Information Technology Arrangements**

The City has noncancellable subscription-based information technology arrangements (SBITAs) to finance the use of information technology software. The City would recognize a liability (the “subscription liability”) and an intangible, right-to-use subscription asset (the “subscription asset”) in the government-wide financial statements. The City’s SBITAs to report are immaterial to the financial statements as a whole and are not recognized as a subscription liability or a subscription asset.

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

**12. Net Position Flow Assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**13. Fund Balance Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**13. Fund Balance Policies**

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

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

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

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

**14. Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and

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

the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**15. Pensions**

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**16. Other Postemployment Benefits**

The City participates in defined benefit group-term life insurance plan administered by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expenses is provided by TMRS from reports prepared by their consulting actuary.

**G. Revenues and Expenditures/Expenses**

**1. Program Revenues**

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

**2. Property Taxes**

Property taxes are levied on October 1 of each year, are due upon receipt of the City's tax bill, and become delinquent on February 1 of the following year. The City's tax lien exists from January 1 (the assessment date) each year until the taxes are paid.

**3. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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

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

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except the capital projects fund, which adopts a project length budget. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the charter in the approved budget is the department level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year. Encumbrance accounting is not utilized.

**A. Expenditures in Excess of Appropriations**

For the year ended September 30, 2023, expenditures exceeded appropriations at the legal level of control for the following expenditures in the general fund and truancy prevention nonmajor fund.

General fund	
Library, parks, and recreation	\$ 1,027
Truancy prevention nonmajor fund	
General government	\$ 5,272

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	\$ 2,023,156	0.07
TexSTAR	10,475,197	0.03
LOGIC	51,591,782	0.11
<b>Total Value</b>	<u>\$ 64,090,135</u>	
Portfolio weighted average maturity		0.09

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations.

*Credit risk.* The City’s investment policy limits investments in public fund investment pools rated as to investment quality not less than ‘AAA’ or ‘AAA-m’, or at an equivalent rating by at least one nationally recognized rating service. As of September 30, 2023, the City’s investments in investment pools were rated ‘AAA’ or ‘AAAm’ by Standard & Poor’s.

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

**TexPool**

TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters.

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

Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool 'AAAm'. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

**TexSTAR**

The Texas Short-Term Asset Reserve Fund (TexSTAR) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexSTAR was created in April 2002 by contract among its participating governmental units and is governed by a board of directors. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. act as co-administrators, providing investment management services, participant services, and marketing. JPMorgan Chase Bank and/or its subsidiary, J.P. Morgan Investor Services, Inc., provide custodial, transfer agency, fund accounting, and depository services.

TexSTAR is measured at amortized cost. TexSTAR's strategy is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to TexSTAR. TexSTAR has a redemption notice period of one day and may redeem daily. TexSTAR's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexSTAR's liquidity.

**LOGIC**

The Local Government Investment Cooperative (LOGIC) was created in 1994 by Texas local government officials who understand the specific needs and challenges of investing public funds. LOGIC is administered by Hilltop Securities and JPMorgan Chase. Together these organizations bring to the LOGIC program the powerful partnership of two leaders in financial services with a proven track record in local government investment pool management and extensive industry resources. LOGIC was rated AAA by Standard & Poor's.

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

**B. Receivables**

The following comprise receivable balances at September 30, 2023:

	Governmental Funds				Proprietary Fund	Component Unit
	General	Debt Service	Capital Projects	Nonmajor Governmental	Enterprise	Manvel Economic Dev. Corp.
Accounts	\$ -	\$ -	\$ 219,565	\$ -	\$ 423,831	\$ -
Property taxes	128,879	53,084	-	-	-	-
Sales taxes	697,393	-	-	-	-	232,464
Hotel occupancy taxes	-	-	-	20,668	-	-
Franchise fees	119,944	-	-	3,814	-	-
Less allowances	(70,608)	(31,730)	-	-	(31,166)	-
<b>Total</b>	<u>\$ 875,608</u>	<u>\$ 21,354</u>	<u>\$ 219,565</u>	<u>\$ 24,482</u>	<u>\$ 392,665</u>	<u>\$ 232,464</u>

**C. Capital Assets**

A summary of changes in capital assets for governmental activities for the year ended September 30, 2023 is as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 10,291,025	\$ -	\$ -	\$ 10,291,025
Construction in progress	2,584,971	771,293	-	3,356,264
<b>Total nondepreciable assets</b>	<u>12,875,996</u>	<u>771,293</u>	<u>-</u>	<u>13,647,289</u>
Other capital assets:				
Buildings, improvements, and roads	8,116,368	376,602	-	8,492,970
Machinery and equipment	5,890,147	849,781	(113,649)	6,626,279
<b>Total other capital assets</b>	<u>14,006,515</u>	<u>1,226,383</u>	<u>(113,649)</u>	<u>15,119,249</u>
Less accumulated depreciation for:				
Buildings, improvements, and roads	(4,234,199)	(318,941)	-	(4,553,140)
Machinery and equipment	(2,934,998)	(522,101)	86,054	(3,371,045)
<b>Total accumulated depreciation</b>	<u>(7,169,197)</u>	<u>(841,042)</u>	<u>86,054</u>	<u>(7,924,185)</u>
<b>Other capital assets, net</b>	<u>6,837,318</u>	<u>385,341</u>	<u>(27,595)</u>	<u>7,195,064</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 19,713,314</u>	<u>\$ 1,156,634</u>	<u>\$ (27,595)</u>	<u>20,842,353</u>
			Less associated debt	(12,230,000)
			Plus unspent bond proceeds	1,004,126
			<b>Net Investment in Capital Assets</b>	<u>\$ 9,616,479</u>

All capital assets constructed or paid for with funds of the component units are titled in the City's name. Accordingly, component units' capital assets and construction in progress are recorded in the governmental activities totals.

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

Depreciation was charged to governmental functions as follows:

General government	\$	163,366
Public safety		148,489
Public works		381,430
Internal service		147,757
<b>Total Governmental Activities Depreciation Expense</b>		<u><u>\$ 841,042</u></u>

The following is a summary of changes in capital assets for business-type activities for the year ended September 30, 2023:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 4,418,536	\$ -	\$ -	\$ 4,418,536
Construction in progress	684,109	1,154,847	-	1,838,956
<b>Total nondepreciable assets</b>	<u>5,102,645</u>	<u>1,154,847</u>	<u>-</u>	<u>6,257,492</u>
Other capital assets:				
Water/sewer system	11,842,569	345,501	-	12,188,070
Machinery and equipment	318,348	142,015	-	460,363
<b>Total other capital assets</b>	<u>12,160,917</u>	<u>487,516</u>	<u>-</u>	<u>12,648,433</u>
Less accumulated depreciation for:				
Water/sewer system	(3,036,278)	(331,540)	-	(3,367,818)
Machinery and equipment	(194,324)	(41,025)	-	(235,349)
<b>Total accumulated depreciation</b>	<u>(3,230,602)</u>	<u>(372,565)</u>	<u>-</u>	<u>(3,603,167)</u>
<b>Other capital assets, net</b>	<u>8,930,315</u>	<u>114,951</u>	<u>-</u>	<u>9,045,266</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u><u>\$ 14,032,960</u></u>	<u><u>\$ 1,269,798</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,302,758</u></u>

Depreciation was charged to business-type functions as follows:

Water and sewer	\$	<u><u>372,565</u></u>
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**CITY OF MANVEL, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2023**

**D. Long-Term Debt**

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2023. In general, the City uses the general and debt service funds to liquidate long-term liabilities.

The long-term liabilities for the governmental activities at year end are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Certificates of obligation	\$ 17,765,000	\$ 33,530,000	\$ (1,710,000)	\$ 49,585,000 *	\$ 1,490,000
Direct borrowings/placements:					
Certificates of obligation	1,305,000	-	(105,000)	1,200,000 *	110,000
General obligation bonds	945,000	-	(235,000)	710,000 *	230,000
Premium	428,975	1,897,389	(59,754)	2,266,610 *	-
Net pension liability	781,295	437,949	-	1,219,244	-
Total OPEB liability	123,728	-	(34,671)	89,057	-
Compensated absences	317,022	3,038	-	320,060	208,565
<b>Total Governmental Activities</b>	<u>\$ 21,666,020</u>	<u>\$ 35,868,376</u>	<u>\$ (2,144,425)</u>	<u>\$ 55,389,971</u>	<u>\$ 2,038,565</u>
<b>Long-Term Liabilities Due In More Than One Year</b>				<u>\$ 53,351,406</u>	
Debt Associated with Governmental Capital Assets				\$ 12,230,000	
Debt Associated with Business-Type Capital Assets				41,531,610	
<b>Total Debt Associated with Capital Assets</b>				<u>\$ 53,761,610 *</u>	
Debt Associated with Business-Type Capital Assets				\$ 41,531,610	
Add: Deferred loss on refunding				4,075	
Less: Unspent bond proceeds				(39,006,758)	
<b>Business-Type Activities Net Related Debt</b>				<u>\$ 2,528,927</u>	

The long-term liabilities for the business-type activities at year end are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-Type Activities:</b>					
Net pension liability	\$ 13,638	\$ 78,298	\$ -	\$ 91,936	\$ -
Compensated absences	9,296	7,496	-	16,792	10,216
<b>Total Business-Type Activities</b>	<u>\$ 22,934</u>	<u>\$ 85,794</u>	<u>\$ -</u>	<u>\$ 108,728</u>	<u>\$ 10,216</u>
<b>Long-Term Liabilities Due In More Than One Year</b>				<u>\$ 98,512</u>	

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

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

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

Description	Interest Rates (%)	Balance
<b>Governmental Activities</b>		
<b>Certificates of Obligation Bonds</b>		
Certificates of Obligation, Series 2023	3.00-5.00	\$ 32,745,000
Certificates of Obligation, Series 2019	2.00-4.00	3,060,000
Certificates of Obligation, Series 2018	3.00-3.50	7,970,000
Certificates of Obligation, Series 2017	3.00-4.00	2,820,000
Certificates of Obligation, Series 2016	3.00	2,990,000
From Direct Borrowings/Placements:		
Certificates of Obligation, Series 2013	2.70	1,200,000
<b>Total Certificates of Obligation Bonds</b>		<b>50,785,000</b>
<b>General Obligation Bonds</b>		
From Direct Borrowings/Placements:		
Refunding Bonds, Series 2015	2.00	710,000
<b>Total General Obligation Bonds</b>		<b>710,000</b>
<b>Total Governmental Activities Long-Term Debt</b>		<b>\$ 51,495,000</b>

On April 3, 2023, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2023 (the "Certificates") for \$33,530,000 to be used for construction of the public works building, police station facilities, City Hall expansion, and improvements to the City's water/sewer system.

The annual requirements to amortize debt issues outstanding at year end are as follows:

<b>Certificates of Obligation</b>			
Fiscal Year			
Ending			Total
Sept. 30	Principal	Interest	Requirements
2024	\$ 1,490,000	\$ 1,956,712	\$ 3,446,712
2025	1,540,000	1,897,788	3,437,788
2026	1,590,000	1,837,637	3,427,637
2027	1,645,000	1,776,037	3,421,037
2028	1,700,000	1,712,137	3,412,137
2029-2033	9,430,000	7,542,658	16,972,658
2034-2038	10,735,000	5,619,161	16,354,161
2039-2043	6,630,000	3,821,755	10,451,755
2044-2048	7,580,000	2,427,480	10,007,480
2049-2053	7,245,000	761,887	8,006,887
<b>Total</b>	<b>\$ 49,585,000</b>	<b>\$ 29,353,252</b>	<b>\$ 78,938,252</b>

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

The annual requirements to amortize debt issues outstanding for the direct borrowings/placements at year end are as follows:

<b>Certificates of Obligation From Direct Borrowings/Placements</b>			
<b>Fiscal Year</b>			
<b>Ending</b>			<b>Total</b>
<b>Sept. 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Requirements</b>
2024	\$ 110,000	\$ 28,835	\$ 138,835
2025	110,000	26,525	136,525
2026	110,000	24,105	134,105
2027	115,000	21,518	136,518
2028	120,000	18,755	138,755
2029-2033	635,000	45,753	680,753
<b>Total</b>	<b>\$ 1,200,000</b>	<b>\$ 165,491</b>	<b>\$ 1,365,491</b>

<b>General Obligation Bonds From Direct Borrowings/Placements</b>			
<b>Fiscal Year</b>			
<b>Ending</b>			<b>Total</b>
<b>Sept. 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Requirements</b>
2024	\$ 230,000	\$ 14,200	\$ 244,200
2025	240,000	9,600	249,600
2026	240,000	4,800	244,800
<b>Total</b>	<b>\$ 710,000</b>	<b>\$ 28,600</b>	<b>\$ 738,600</b>

General obligation bonds and certificates of obligation are direct obligations of the City for which its full faith and credit are pledged. Repayment is from taxes levied on all taxable property located within the City.

**Federal Arbitrage**

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

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

**E. Interfund Transactions**

The composition of transfers between funds is as follows:

Transfers In	Transfers Out	Amounts
General	Nonmajor governmental	\$ 576,010
Capital projects	General	450,000
Capital projects	Nonmajor governmental	233,907
Nonmajor governmental	Nonmajor governmental	1,051,983
		\$ 2,311,900

Transfers are utilized to fund capital projects or development within the City and to reimburse the general fund for services provided. Transfers must be accounted for in accordance with budgetary authorization.

**F. Conduit Debt**

The MCEFFC and MEFC issue loans to finance or refinance educational facilities. The related loan agreements and bonds payable have not been recorded in the financial statements of the City. These loans are limited obligations of the issuer, payable solely from revenues received by the issuer pursuant to a loan agreement by and between the issuer and the borrower, as further secured by a deed of trust on certain real property of the borrower securing payments under such loan agreements. In addition, no commitments beyond the secured deed of trust on certain real property of the borrower were extended by MCEFFC and MEFC for any of the loans. At September 30, 2023, the loans had an aggregate outstanding principal amount payable of \$11,200,591.

**G. Fund Equity**

As of September 30, 2023, \$1,110,758 of the City's total fund balance is restricted by enabling legislation.

**H. Restricted Assets**

The balances of the restricted cash accounts recognized by the City are as follows:

	Capital Projects	Enterprise	Manvel Economic Dev. Corp.
Restricted for capital projects	\$ 43,324,934	\$ -	\$ -
Restricted for customer deposits	-	182,846	-
Restricted for intergovernmental agreements	-	-	79,479
<b>Total Restricted Cash and Cash Equivalents</b>	<b>\$ 43,324,934</b>	<b>\$ 182,846</b>	<b>\$ 79,479</b>

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

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 1,174 other entities in the Texas Municipal League’s Intergovernmental Risk Pools (the “Pool”). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

**B. Contingent Liabilities**

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

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

**C. Pension Plan**

**Texas Municipal Retirement System**

Plan Description

The City participates as one of 909 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the “TMRS Act”) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees (the “Board”); however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at [tmrs.com](http://tmrs.com).

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

Benefits Provided

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

At retirement, the member’s benefit is calculated based on the sum of the member’s contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options.

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

Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

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

	<u>2023</u>	<u>2022</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Transfers	0%
Annuity increase (to retirees)	70% of CPI	0% of CPI

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	14
Inactive employees entitled to, but not yet receiving, benefits	53
Active employees	91
<b>Total</b>	<u><u>158</u></u>

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, 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 actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 9.38% and 9.80% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2023 were \$662,260 which were more than the required contributions of \$639,639.

Net Pension Liability

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

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

Actuarial Assumptions

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

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

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for the annuity purchase rates is based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, TMRS' actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each asset class are summarized in the following tables:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global equities	35%	7.7%
Core fixed income	6%	4.9%
Non-core fixed income	20%	8.7%
Other public and private markets	12%	8.1%
Real return	12%	5.8%
Hedge funds	5%	6.9%
Private equity	10%	11.8%
<b>Total</b>	<u>100%</u>	

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

Discount Rate

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

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 743,525	\$ -	\$ 743,525
Interest	422,057	-	422,057
Difference between expected and actual experience	1,547	-	1,547
Contributions - employer	-	628,606	(628,606)
Contributions - employee	-	402,216	(402,216)
Net investment income	-	(380,574)	380,574
Benefit payments, including refunds of employee contributions	(212,949)	(212,949)	-
Administrative expense	-	(3,280)	3,280
Other changes	-	3,914	(3,914)
<b>Net Changes</b>	<b>954,180</b>	<b>437,933</b>	<b>516,247</b>
Balance at December 31, 2021	5,987,412	5,192,479	794,933
<b>Balance at December 31, 2022</b>	<b>\$ 6,941,592</b>	<b>\$ 5,630,412</b>	<b>\$ 1,311,180</b>

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 2,400,826	\$ 1,311,180	\$ 427,729

Pension Plan Fiduciary Net Position

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

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

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$459,513.

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 4,251	\$ 97,207
Changes in actuarial assumptions	-	1,414
Net difference between projected and actual investment earnings	365,293	-
Contributions subsequent to the measurement date	503,618	-
<b>Total</b>	<b>\$ 873,162</b>	<b>\$ 98,621</b>

\$503,618 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 NPL for the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ended September 30</b>	<b>Pension Expense</b>
2024	\$ 4,379
2025	51,421
2026	68,682
2027	146,441
<b>Total</b>	<b>\$ 270,923</b>

**D. Other Postemployment Benefits**

**TMRS Supplemental Death Benefits**

Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

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

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

Participation in the SDBF as of December 31, 2022 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	12
Inactive employees entitled to, but not yet receiving, benefits	9
Active employees	91
<b>Total</b>	<b>112</b>

Total OPEB Liability

The City's total OPEB liability of \$89,057 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	4.05%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statements 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

\*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. Due to the higher mortality rates associated with the global pandemic, the TMRS Board adopted changes to the assumptions and methodology used for calculating 2023 and 2024 rates as determined in the December 31, 2021 and December 31, 2022 actuarial valuations, respectively.

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

Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Changes for the year:	
Service cost	\$ 17,812
Interest	2,419
Difference between expected and actual experience	1,282
Changes of assumptions	(53,886)
Benefit payments*	(2,298)
<b>Net Changes</b>	<b>(34,671)</b>
Balance at December 31, 2021	123,728
<b>Balance at December 31, 2022</b>	<b>\$ 89,057</b>

\*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the City's yearly contributions for retirees.

The discount rate increased from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	<b>1% Decrease in Discount Rate (3.05%)</b>	<b>Discount Rate (4.05%)</b>	<b>1% Increase in Discount Rate (5.05%)</b>
City's Total OPEB Liability	\$ 109,174	\$ 89,057	\$ 73,675

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$17,325. The City reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 2,596	\$ 6,156
Changes in actuarial assumptions	22,574	48,113
Contributions subsequent to the measurement date	2,056	-
<b>Total</b>	<b>\$ 27,226</b>	<b>\$ 54,269</b>

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

\$2,056 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2024.

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Fiscal Year Ended September 30</b>	<b>OPEB Expense Amount</b>
2024	\$ (2,906)
2025	(3,024)
2026	(3,502)
2027	(4,510)
2028	(7,666)
Thereafter	(7,491)
<b>Total</b>	<b>\$ (29,099)</b>

**E. Economic Incentive and Development Agreements**

**1. Manvel Economic Development Memorandum of Understanding**

The City and the Corporation furthered the Memorandum of Understanding (MOU) of July 2, 2018, by entering into an agreement by resolution on March 15, 2021. The Corporation has agreed to assist in the future funding for a certain 160-acre tract (the “Tract”) and to construct certain improvements within the Tract to develop a municipal complex, including regional ballfields (the “Project”). With the common goals of economic synergy, planning efficiency, and prudent budget development, the City and the Corporation agreed to set forth their planned joint commitment to fund the development of the Project. The City agreed to continue to take all steps to acquire the property and plan for the Project, including pursuing surveying, environmental assessment, legal, engineering, and estimation of development costs. The Corporation agreed to reserve 90% of sales tax revenue received, beginning with sales tax received during the 2019 fiscal year. The Corporation confirmed its intent to participate in providing funding for the development of the Project, subject to all procedural and budgetary requirements. During the fiscal year ending September 30, 2023, the Corporation received and restricted \$1,112,000 related to this MOU.

**2. Manvel Town Center, LP and Brazoria County Municipal Utility District No. 42**

The City entered into a development agreement (the “Agreement”) with Manvel Town Center, LP and Brazoria County Municipal Utility District No. 42 (the “District”) dated January 1, 2014. The Agreement empowers the City to provide economic development incentives in accordance with Chapter 380, Texas Local Government Code.

The Agreement shall remain in effect until December 31, 2044, unless earlier terminated for reasons noted in the Agreement. On or before August 15, 2015, the City agreed to create the economic development fund (the “Fund”) and to deposit into such Fund annually during the term of the Agreement, the calculated annual payment as provided by the terms of the Agreement. The Agreement, pursuant to Chapter 380, has a term of 30 years with the base year beginning January 1, 2014.

Economic development revenues shall be the increment over the base year of 50% of the ad valorem taxes attributable to maintenance tax and 50% of the sales and use taxes collected during the term of the Agreement, but not to exceed a maximum total payout of \$42,035,541. The City will subtract and retain

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

an amount equal to 5% of the increment representing City administrative expenses. The City is required to make payments to the Fund by August 15 each year with the first payment due following the receipt of written notice from the District of the commencement of construction of the improvements by or on behalf of the District. The City did not recognize any expenditures related to this Agreement during the fiscal year ended September 30, 2023.

**3. Sonmar of Scottsdale, LLC and Brazoria County Municipal Utility District No. 30**

The City entered into an economic development agreement with Sonmar of Scottsdale, LLC (the “Developer”) and an interlocal agreement with Brazoria County Municipal Utility District No. 30 (the “District”) dated March 24, 2008 (the “Agreements”). The Agreements empower the City to provide economic development incentives in accordance with Chapter 380, Texas Local Government Code.

The Developer has agreed to advance funds to the City for costs related to the Agreements, which the City will repay with interest. The Developer has also agreed to construct certain public improvements and capital investments of approximately \$400,000,000. The City agreed to create an economic development fund (the “Fund”) once the City starts receiving sales taxes generated within the boundaries noted within the Agreements. The City agreed to deposit 100% of these sales tax revenues into the Fund. The District also agreed to participate with sales tax revenues to be generated from this development. The sales tax revenues will be used to repay Developer advances, pay “performance-based grants” to the Developer as outlined in the Agreements, and finance improvements as noted in both Agreements. The maximum payout of the performance-based grants plus all payments made under the Agreements shall not exceed \$46,000,000. The Agreements shall remain in effect for an initial term of 35 years, unless earlier terminated for reasons noted in the Agreements. The City did not recognize any expenditures related to these Agreements during the fiscal year ended September 30, 2023.

**4. Milestone South Six Development, Ltd. and Brazoria County Municipal Utility District No. 30**

The City entered into a development agreement (the “Agreement”) with Milestone South Six Development, Ltd. (the “Developer”) and Brazoria County Municipal Utility District No. 30 (the “District”) dated February 9, 2004. Under this Agreement, the Developer agreed to reimburse the City for expenses relating to the creation of the District. The District has agreed to construct water, wastewater, and drainage facilities as outlined in the Agreement financed through the issuance of bonds. In consideration of the development of land within the District, the related increase in the taxable values, and the desire to more equitably distribute among the taxpayers of the City and the District the burden of ad valorem taxes, the City has agreed to make annual tax “rebate” payments to the District.

Annual tax “rebates” are determined using the lower of either the rate per \$100 of taxable assessed valuation, or a percentage of the then-current City tax rate as follows:

<u>Years</u>	<u>Rebate</u>
1 – 10	\$0.30 or 42% of actual City tax rate
11 – 20	\$0.25 or 35% of actual City tax rate
Thereafter	\$0.20 or 20% of actual City tax rate

The Agreement includes an exception using a “Test Rate” calculation as outlined in the Agreement in which the annual payments shall be reduced based upon this calculation. If the annual payment is reduced to zero pursuant to the Agreement for three years in a row, the annual payment obligation of the City shall be terminated.

All City payments received by the District shall be deposited into the District’s debt service fund to be used solely for the payment of the District’s bonded indebtedness. Annual payments shall begin on May

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

1 in the calendar year following the calendar year in which the District delivers its first series of bonds to which its ad valorem taxes are pledged and shall be payable each May 1 thereafter. This Agreement shall remain in effect until the earlier of the dissolution of the District by the City or the expiration of 40 years from the effective date of the Agreement. The City did not recognize any expenditures related to this Agreement during the fiscal year ended September 30, 2023.

**5. Brazoria County Municipal Utility District No. 43**

The City entered into a Memorandum of Interlocal and Development Agreement (the “Agreement”) with the Brazoria County Municipal Utility District No. 43 (the “District”) on April 2, 2018, for the design, financing, and construction of certain public improvements on the 267.7 acres located in the District (the “Property”). The City has agreed to provide regional improvement incentives in the form of financial assistance and the construction of certain improvements to the District to induce the District to provide valuable goods and development services to the City, and to finance the construction of valuable public improvements on behalf of the City, to encourage and promote the development of the District. The District is willing to construct or cause to be constructed certain additional public improvements of behalf of the City in exchange for the City’s participation in funding such improvements.

The City and the District anticipate that the improvements will be built by the District using funds advanced to the District from the developer for eligible project costs, and the District will reimburse the developer. The City anticipates that the District will develop the Property in the near future.

It is anticipated that the District will finance, with no assistance from the City, public improvements in addition to the improvements that are subject to the Agreement at an estimated cost of \$27 million. Included in the facility costs funded by the City are the design/phasing costs, sanitary sewer collection facilities, wastewater treatment plant facilities, water distribution, water supply facilities, regional road improvements (Del Bello Boulevard, Manvel Parkway, Texas Department of Transportation Ramps at State Highway 288, and Del Bello Bridge, Dogwood Bridge over Guld Coast Water Authority canal), and any additional projects mutually agreed to. The costs of the Del Bello Boulevard and Dogwood Bridges are reimbursable expenses that will be paid to the City from the Brazoria County 43 Regional Improvements Fund (the “Fund”). The District agrees to furnish all goods, materials, and services as and when required in connection with the construction of its improvements. Upon completion, all constructed facilities shall be conveyed to the City.

The Fund is established by the City, and the City has agreed to pay the Fund the increment based on the actual collection for each year such funds are collected. The first payment to the Fund was to be March 1, 2020 for the tax year 2019 and it was to include all sales tax increments effective from that date. No sales tax generating property was constructed by March 2020. As a result, the City did not owe a payment on March 1, 2020. The payments shall be made semi-annually. The Property improvements will be built by the District using the funds advanced, and the District will reimburse the developer with interest.

The District may sell District bonds secured by a pledge of revenues from the Fund (i.e., contract revenue bonds), in addition to a pledge of the District’s taxes costs associated. The Fund may have sufficient funds available to reimburse the developer or the City directly instead of selling District bonds, and thus may take advantage of savings for reduced issuance costs and interest. The City recognized expenditures of \$297,632 related to this Agreement during the fiscal year ended September 30, 2023.

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

**6. Brazoria County Municipal Utility District No. 83**

The City entered into a Development Agreement (the “Agreement”) with the Brazoria County Municipal Utility District No. 83 (the “District”) on August 16, 2021, for the design, financing, and construction of certain public improvements on the approximately 440 acres located in the District (the “Property”). The City has agreed to provide regional improvement incentives in the form of financial assistance to the District to induce the District to provide valuable development services to the City and to encourage and promote the development of the District. The District is willing to construct or cause to be constructed certain additional public improvements of behalf of the City in exchange for the City’s participation in funding such improvements.

The improvements for the agreement will include Del Bello Boulevard, Dogwood Avenue and the crossing at Chocolate Bayou, Pollard Boulevard, and Charlotte Street (including crossings at Chocolate Bayou, DD4 Ditch and the GCWA Canal). The District agrees to furnish all goods, materials, and services as and when required in connection with the construction of its improvements.

The Fund is established by the City, and the City has agreed to pay the Fund the increment based on the actual collection for each year such funds are collected. The first payment to the Fund will be June 1, 2024 for the increment of January 1, 2022 (base year value) to January 1, 2023. The payments shall be made annually. The increment shall be calculated by using 90% of the City’s O&M taxes on properties in the District less \$205 for each equivalent single family connection in the District for the applicable tax year. The increment shall be paid for a maximum of 30 years or for a sum total of \$18 million, whichever may occur first. The City recognized no expenditures related to this Agreement during the fiscal year ended September 30, 2023.

**F. TIRZ No. 3 Financing Agreements**

The City has entered into a shared financing agreement between the City, TIRZ No. 3, SMDA, Brazoria County MUD No. 56, and Brazoria County MUD No. 57 dated December 29, 2010 to provide for the joint financing, design, construction, and operation of the TIRZ No. 3 plan projects.

The City has entered into a development financing agreement. The developer agrees to convey to the SMDA a parcel of land to be used as an interim park site until a permanent site can be determined. The SMDA or the City may erect recreational improvements on the site at their expense. On February 12, 2012, the SMDA approved a special warranty deed conveying a parcel of land for such purposes.

**G. Pipeline Deposit Agreements**

The City has entered into agreements with pipeline companies, such as Phillips 66 Pipeline LLC; EPO Pipeline, LLC; Enterprise Crude Pipeline, LLC; and Lavaca Pipeline, LLC for the purpose of constructing, maintaining, laying, operating, and/or repairing pipelines utilized for the transportation of liquids or gaseous materials along the right-of-ways and/or under certain roads located in the City. As of September 30, 2023, the balance for the pipeline deposit is \$165,241.

**H. Subsequent Events**

On December 6, 2023, SMDA issued Tax Increment Contract Revenue Bonds, Series 2023 for \$17,710,000. The proceeds from the bonds will be used for the purposes of reimbursing developers for approved project costs. The bonds are limited obligations of SMDA, payable solely from the pledged revenues and are not obligations of the City.

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***REQUIRED SUPPLEMENTARY INFORMATION***

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**CITY OF MANVEL, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<b>Revenues</b>				
Property taxes	\$ 4,875,000	\$ 4,875,000	\$ 4,758,544	\$ (116,456)
Sales taxes	2,400,000	2,400,000	2,436,647	36,647
Other taxes and fees	595,000	595,000	765,361	170,361
Charges for services	67,000	67,000	12,588	(54,412)
Licenses and permits	5,015,646	5,015,646	3,658,839	(1,356,807)
Fines and forfeitures	257,000	257,000	239,953	(17,047)
Intergovernmental	1,900	1,900	2,171	271
Investment earnings	25,000	25,000	616,912	591,912
Other revenues	29,400	29,400	24,933	(4,467)
<b>Total Revenues</b>	<u>13,265,946</u>	<u>13,265,946</u>	<u>12,515,948</u>	<u>(749,998)</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	4,999,806	5,299,806	5,148,591	151,215
Public safety	5,516,309	5,516,309	4,843,573	672,736
Public works	2,001,767	2,056,767	2,017,438	39,329
Library, parks, and recreation	92,300	92,300	93,327	(1,027) *
Information technology	665,764	665,764	507,310	158,454
<b>Total Expenditures</b>	<u>13,275,946</u>	<u>13,630,946</u>	<u>12,610,239</u>	<u>1,020,707</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(10,000)</u>	<u>(365,000)</u>	<u>(94,291)</u>	<u>270,709</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	576,010	576,010	-
Transfers (out)	(490,000)	(450,000)	(450,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(490,000)</u>	<u>126,010</u>	<u>126,010</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (500,000)</u>	<u>\$ (238,990)</u>	<u>31,719</u>	<u>\$ 270,709</u>
Beginning fund balance			<u>8,439,859</u>	
<b>Ending Fund Balance</b>			<u>\$ 8,471,578</u>	

**Notes to Required Supplementary Information:**

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

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

	Measurement Year *			
	2022	2021	2020	2019
<b>Total Pension Liability</b>				
Service cost	\$ 743,525	\$ 541,404	\$ 447,829	\$ 402,039
Interest (on the total pension liability)	422,057	380,417	314,840	279,081
Changes of benefit terms	-	438,388	-	-
Difference between expected and actual experience	1,547	(151,437)	(22,274)	15,936
Change of assumptions	-	-	-	(7,422)
Benefit payments, including refunds of employee contributions	(212,949)	(296,165)	(211,948)	(153,585)
<b>Net Change in Total Pension Liability</b>	<u>954,180</u>	<u>912,607</u>	<u>528,447</u>	<u>536,049</u>
Beginning total pension liability	<u>5,987,412</u>	<u>5,074,805</u>	<u>4,546,358</u>	<u>4,010,309</u>
<b>Ending Total Pension Liability</b>	<u><u>\$ 6,941,592</u></u>	<u><u>\$ 5,987,412</u></u>	<u><u>\$ 5,074,805</u></u>	<u><u>\$ 4,546,358</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 628,606	\$ 420,389	\$ 369,735	\$ 358,113
Contributions - employee	402,216	295,158	241,883	216,150
Net investment income	(380,574)	552,175	270,412	419,105
Benefit payments, including refunds of employee contributions	(212,949)	(296,165)	(211,948)	(153,585)
Administrative expense	(3,280)	(2,548)	(1,746)	(2,374)
Other	3,914	18	(69)	(71)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>437,933</u>	<u>969,027</u>	<u>668,267</u>	<u>837,338</u>
Beginning plan fiduciary net position	<u>5,192,479</u>	<u>4,223,452</u>	<u>3,555,185</u>	<u>2,717,847</u>
<b>Ending Plan Fiduciary Net Position</b>	<u><u>\$ 5,630,412</u></u>	<u><u>\$ 5,192,479</u></u>	<u><u>\$ 4,223,452</u></u>	<u><u>\$ 3,555,185</u></u>
<b>Net Pension Liability/(Asset)</b>	<u><u>\$ 1,311,180</u></u>	<u><u>\$ 794,933</u></u>	<u><u>\$ 851,353</u></u>	<u><u>\$ 991,173</u></u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	81.11%	86.72%	83.22%	78.20%
<b>Covered Payroll</b>	\$ 5,745,941	\$ 4,216,542	\$ 3,455,470	\$ 3,087,860
<b>Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	22.82%	18.85%	24.64%	32.10%

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

**Measurement Year\***

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$	346,152	\$ 327,328	\$ 278,209	\$ 217,485	\$ 98,272
	247,393	215,662	176,347	90,331	76,628
	-	-	999,103	-	46,383
	(22,918)	(9,405)	149,739	(13,322)	7,393
	-	-	-	49,239	-
	(104,642)	(41,182)	(51,625)	(50,564)	(41,731)
	465,985	492,403	1,551,773	293,169	186,945
	3,544,324	3,051,921	1,500,148	1,206,979	1,020,034
\$	<u>4,010,309</u>	<u>\$ 3,544,324</u>	<u>\$ 3,051,921</u>	<u>\$ 1,500,148</u>	<u>\$ 1,206,979</u>
\$	326,460	\$ 322,099	\$ 117,468	\$ 95,238	\$ 34,683
	183,704	173,979	145,550	121,889	63,755
	(71,097)	234,361	94,003	1,807	63,289
	(104,642)	(41,182)	(51,625)	(50,564)	(41,731)
	(1,381)	(1,219)	(1,063)	(1,101)	(661)
	(71)	(62)	(57)	(54)	(54)
	332,973	687,976	304,276	167,215	119,281
	2,384,874	1,696,898	1,392,622	1,225,407	1,106,126
\$	<u>2,717,847</u>	<u>\$ 2,384,874</u>	<u>\$ 1,696,898</u>	<u>\$ 1,392,622</u>	<u>\$ 1,225,407</u>
\$	<u>1,292,462</u>	<u>\$ 1,159,450</u>	<u>\$ 1,355,023</u>	<u>\$ 107,526</u>	<u>\$ (18,428)</u>
	67.77%	67.29%	55.60%	92.83%	101.53%
\$	2,624,349	\$ 2,485,407	\$ 2,079,289	\$ 1,741,276	\$ 1,275,100
	49.25%	46.65%	65.17%	6.18%	(1.45%)

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

	Fiscal Year			
	2023	2022	2021	2020
Actuarially determined contribution	\$ 639,639	\$ 525,614	\$ 297,723	\$ 368,856
Contributions in relation to the actuarially determined contribution	662,260	592,629	297,723	368,856
Contribution deficiency (excess)	<u>\$ (22,621)</u>	<u>\$ (67,015)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,589,071	\$ 5,526,175	\$ 3,966,974	\$ 3,371,683
Contributions as a percentage of covered payroll	9.71%	9.51%	7.51%	10.94%

**Notes to Required Supplementary Information:**

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years (longest amortization ladder)
Asset valuation method	10 year smoothed market; 12.00% 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 December 31, 2014 - December 31, 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: UMP(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during the year.

<b>Fiscal Year</b>					
<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 347,650	\$ 319,360	\$ 267,555	\$ 109,865	\$ 76,909	\$ 31,916
350,542	319,360	267,555	109,865	76,909	31,916
<u>\$ (2,892)</u>	<u>\$ -</u>				
\$ 2,966,052	\$ 2,538,625	\$ 2,406,957	\$ 1,960,061	\$ 1,560,104	\$ 1,232,533
11.72%	12.58%	11.12%	5.61%	4.93%	2.59%

**CITY OF MANVEL, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2023**

	Measurement Year*			
	2022	2021	2020	2019
<b>Total OPEB Liability</b>				
Service cost	\$ 17,812	\$ 11,806	\$ 8,639	\$ 4,941
Interest (on the total OPEB liability)	2,419	2,377	2,410	2,367
Difference between expected and actual experience	1,282	(7,289)	1,427	(2,025)
Change of assumptions	(53,886)	4,523	17,953	17,026
Benefit payments, including refunds of employee contributions **	(2,298)	(1,265)	(346)	(309)
<b>Net Change in Total OPEB Liability</b>	<u>(34,671)</u>	<u>10,152</u>	<u>30,083</u>	<u>22,000</u>
Beginning total OPEB liability	<u>123,728</u>	<u>113,576</u>	<u>83,493</u>	<u>61,493</u>
<b>Ending Total OPEB Liability</b>	<u><u>\$ 89,057</u></u>	<u><u>\$ 123,728</u></u>	<u><u>\$ 113,576</u></u>	<u><u>\$ 83,493</u></u>
<b>Covered Employee Payroll</b>	<u>\$ 5,745,941</u>	<u>\$ 4,216,542</u>	<u>\$ 3,455,470</u>	<u>\$ 3,087,860</u>
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	1.55%	2.93%	3.29%	2.70%

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

\*\* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

**Notes to Required Supplementary Information:**

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	4.05%
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

3. Other Information:

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

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

There were no benefit changes during the year.

<b>Measurement Year*</b>	
<b>2018</b>	<b>2017</b>
\$ 5,249	\$ 4,225
2,007	1,857
1,868	-
(5,371)	5,298
(525)	(249)
3,228	11,131
58,265	47,134
\$ 61,493	\$ 58,265
\$ 2,624,349	\$ 2,485,407
2.34%	2.34%

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***COMBINING STATEMENTS AND SCHEDULES***

**CITY OF MANVEL, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)**  
**September 30, 2023**

Special Revenue Funds				
	Hotel Taxes	Court Security	Court Technology	TIRZ No. 3
<b><u>Assets</u></b>				
Cash	\$ 824,509	\$ 43,473	\$ 25,730	\$ -
Receivables, net	20,668	-	-	-
<b>Total Assets</b>	<b>\$ 845,177</b>	<b>\$ 43,473</b>	<b>\$ 25,730</b>	<b>\$ -</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	-	-	-	-
<b><u>Fund Balances</u></b>				
Restricted for:				
Enabling legislation	845,177	43,473	25,730	-
Tax increment reinvestment zone	-	-	-	-
Special projects	-	-	-	-
<b>Total Fund Balances</b>	<b>845,177</b>	<b>43,473</b>	<b>25,730</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 845,177</b>	<b>\$ 43,473</b>	<b>\$ 25,730</b>	<b>\$ -</b>

**Special Revenue Funds**

<b>South Manvel Dev. Auth.</b>	<b>Community Impact</b>	<b>Law Enforcement</b>	<b>Park</b>	<b>PEG Fee</b>	<b>Municipal Jury</b>
\$ 1,014,928	\$ -	\$ 7,396	\$ 210,964	\$ 181,767	\$ 320
-	-	-	-	3,814	-
<u>\$ 1,014,928</u>	<u>\$ -</u>	<u>\$ 7,396</u>	<u>\$ 210,964</u>	<u>\$ 185,581</u>	<u>\$ 320</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	7,396	-	185,581	320
1,014,928	-	-	-	-	-
-	-	-	210,964	-	-
<u>1,014,928</u>	<u>-</u>	<u>7,396</u>	<u>210,964</u>	<u>185,581</u>	<u>320</u>
<u>\$ 1,014,928</u>	<u>\$ -</u>	<u>\$ 7,396</u>	<u>\$ 210,964</u>	<u>\$ 185,581</u>	<u>\$ 320</u>

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

	Special Revenue Funds	Total Nonmajor Governmental Funds
<u>Assets</u>	<u>Truancy Prevention</u>	<u>Funds</u>
Cash	\$ 3,771	\$ 2,312,858
Receivables, net	-	24,482
<b>Total Assets</b>	<b>\$ 3,771</b>	<b>\$ 2,337,340</b>
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$ 690	\$ 690
<b>Total Liabilities</b>	<b>690</b>	<b>690</b>
<u>Fund Balances</u>		
Restricted for:		
Enabling legislation	3,081	1,110,758
Tax increment reinvestment zone	-	1,014,928
Special projects	-	210,964
<b>Total Fund Balances</b>	<b>3,081</b>	<b>2,336,650</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,771</b>	<b>\$ 2,337,340</b>

**CITY OF MANVEL, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)**  
**For the Year Ended September 30, 2023**

	<u>Special Revenue Funds</u>			
	<u>Hotel Taxes</u>	<u>Court Security</u>	<u>Court Technology</u>	<u>TIRZ No. 3</u>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 749,032
Sales taxes	-	-	-	35,107
Other fees	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	9,313	7,645	-
Hotel taxes	81,896	-	-	-
Investment earnings	-	-	-	-
<b>Total Revenues</b>	<u>81,896</u>	<u>9,313</u>	<u>7,645</u>	<u>784,139</u>
<b>Expenditures</b>				
General government	77	-	7,010	-
<b>Total Expenditures</b>	<u>77</u>	<u>-</u>	<u>7,010</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>81,819</u>	<u>9,313</u>	<u>635</u>	<u>784,139</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	(1,051,983)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,051,983)</u>
<b>Net Change in Fund Balances</b>	81,819	9,313	635	(267,844)
Beginning fund balances	763,358	34,160	25,095	267,844
<b>Ending Fund Balances</b>	<u>\$ 845,177</u>	<u>\$ 43,473</u>	<u>\$ 25,730</u>	<u>\$ -</u>

**Special Revenue Funds**

<b>South Manvel Dev. Auth.</b>	<b>Community Impact</b>	<b>Law Enforcement</b>	<b>Park</b>	<b>PEG Fee</b>	<b>Municipal Jury</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	13,178	-
-	86,087	-	-	-	-
-	-	3,376	-	-	185
-	-	-	-	-	-
23,805	-	-	-	-	-
<u>23,805</u>	<u>86,087</u>	<u>3,376</u>	<u>-</u>	<u>13,178</u>	<u>185</u>
-	-	-	56,149	-	-
-	-	-	<u>56,149</u>	-	-
23,805	86,087	3,376	(56,149)	13,178	185
1,051,983	-	-	-	-	-
(576,010)	(233,907)	-	-	-	-
<u>475,973</u>	<u>(233,907)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
499,778	(147,820)	3,376	(56,149)	13,178	185
515,150	147,820	4,020	267,113	172,403	135
<u>\$ 1,014,928</u>	<u>\$ -</u>	<u>\$ 7,396</u>	<u>\$ 210,964</u>	<u>\$ 185,581</u>	<u>\$ 320</u>

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

	<b>Special Revenue Funds</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Truancy Prevention</b>	<b>Funds</b>
<b><u>Revenues</u></b>		
Property taxes	\$ -	\$ 749,032
Sales taxes	-	35,107
Other fees	-	13,178
Charges for services	-	86,087
Fines and forfeitures	12,076	32,595
Hotel taxes	-	81,896
Investment earnings	-	23,805
<b>Total Revenues</b>	12,076	1,021,700
<b><u>Expenditures</u></b>		
General government	11,172	74,408
<b>Total Expenditures</b>	11,172	74,408
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	904	947,292
<b><u>Other Financing Sources (Uses)</u></b>		
Transfers in	-	1,051,983
Transfers (out)	-	(1,861,900)
<b>Total Other Financing Sources (Uses)</b>	-	(809,917)
<b>Net Change in Fund Balances</b>	904	137,375
Beginning fund balances	2,177	2,199,275
<b>Ending Fund Balances</b>	\$ 3,081	\$ 2,336,650

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**CITY OF MANVEL, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
For the Year Ended September 30, 2023

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>				
Property taxes	\$ 3,035,000	\$ 3,035,000	\$ 3,001,726	\$ (33,274)
Investment income	7,500	7,500	49,374	41,874
<b>Total Revenues</b>	<u>3,042,500</u>	<u>3,042,500</u>	<u>3,051,100</u>	<u>8,600</u>
<b><u>Expenditures</u></b>				
<b>Debt service:</b>				
Principal	1,261,055	2,050,000	2,050,000	-
Interest and fiscal charges	1,781,445	1,003,205	1,003,205	-
<b>Total Expenditures</b>	<u>3,042,500</u>	<u>3,053,205</u>	<u>3,053,205</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (10,705)</u>	<u>(2,105)</u>	<u>\$ 8,600</u>
Beginning fund balance			<u>435,459</u>	
<b>Ending Fund Balance</b>			<u>\$ 433,354</u>	

**CITY OF MANVEL, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended September 30, 2023

		Hotel Taxes			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>					
Hotel taxes		\$ 45,000	\$ 45,000	\$ 81,896	\$ 36,896
<b>Total Revenues</b>		45,000	45,000	81,896	36,896
<b>Expenditures</b>					
<b>Current:</b>					
General government		45,000	45,000	77	44,923
<b>Total Expenditures</b>		45,000	45,000	77	44,923
<b>Net Change in Fund Balance</b>		\$ -	\$ -	81,819	\$ 81,819
Beginning fund balance				763,358	
<b>Ending Fund Balance</b>				\$ 845,177	

		Court Security			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>					
Fines and forfeitures		\$ 7,000	\$ 7,000	\$ 9,313	\$ 2,313
<b>Total Revenues</b>		7,000	7,000	9,313	2,313
<b>Expenditures</b>					
<b>Current:</b>					
General government		15,000	15,000	-	15,000
<b>Total Expenditures</b>		15,000	15,000	-	15,000
<b>Net Change in Fund Balance</b>		\$ (8,000)	\$ (8,000)	9,313	\$ 17,313
Beginning fund balance				34,160	
<b>Ending Fund Balance</b>				\$ 43,473	

**CITY OF MANVEL, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended September 30, 2023

<b>Court Technology</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Fines and forfeitures	\$ 5,500	\$ 5,500	\$ 7,645	\$ 2,145
<b>Total Revenues</b>	<u>5,500</u>	<u>5,500</u>	<u>7,645</u>	<u>2,145</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	10,000	10,000	7,010	2,990
<b>Total Expenditures</b>	<u>10,000</u>	<u>10,000</u>	<u>7,010</u>	<u>2,990</u>
<b>Net Change in Fund Balance</b>	<u>\$ (4,500)</u>	<u>\$ (4,500)</u>	635	<u>\$ 5,135</u>
Beginning fund balance			<u>25,095</u>	
<b>Ending Fund Balance</b>			<u>\$ 25,730</u>	

<b>TIRZ No. 3</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Property taxes	\$ 376,000	\$ 376,000	\$ 749,032	\$ 373,032
Sales taxes	-	-	35,107	35,107
Investment earnings	500	500	-	(500)
<b>Total Revenues</b>	<u>376,500</u>	<u>376,500</u>	<u>784,139</u>	<u>407,639</u>
<b>Excess Revenues Over Expenditures</b>	<u>376,500</u>	<u>376,500</u>	<u>784,139</u>	<u>407,639</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(376,500)	(1,051,983)	(1,051,983)	-
<b>Total Other Financing (Uses)</b>	<u>(376,500)</u>	<u>(1,051,983)</u>	<u>(1,051,983)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (675,483)</u>	(267,844)	<u>\$ 407,639</u>
Beginning fund balance			<u>267,844</u>	
<b>Ending Fund Balance</b>			<u>\$ -</u>	

**CITY OF MANVEL, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended September 30, 2023

<b>South Manvel Development Authority</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Investment earnings	\$ 1,000	\$ 1,000	\$ 23,805	\$ 22,805
<b>Total Revenues</b>	<b>1,000</b>	<b>1,000</b>	<b>23,805</b>	<b>22,805</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	151,000	151,000	-	151,000
<b>Total Expenditures</b>	<b>151,000</b>	<b>151,000</b>	<b>-</b>	<b>151,000</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>23,805</b>	<b>173,805</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	150,000	1,051,983	1,051,983	-
Transfers (out)	-	(576,010)	(576,010)	-
<b>Total Other Financing Sources</b>	<b>150,000</b>	<b>475,973</b>	<b>475,973</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ 325,973</b>	<b>499,778</b>	<b>\$ 173,805</b>
Beginning fund balance			515,150	
<b>Ending Fund Balance</b>			<b>\$ 1,014,928</b>	

<b>Community Impact</b>				
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Charges for services	\$ 210,000	\$ 210,000	\$ 86,087	\$ (123,913)
<b>Total Revenues</b>	<b>210,000</b>	<b>210,000</b>	<b>86,087</b>	<b>(123,913)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>210,000</b>	<b>210,000</b>	<b>86,087</b>	<b>(123,913)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(210,000)	(233,907)	(233,907)	-
<b>Total Other Financing (Uses)</b>	<b>(210,000)</b>	<b>(233,907)</b>	<b>(233,907)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ (23,907)</b>	<b>(147,820)</b>	<b>\$ (123,913)</b>
Beginning fund balance			147,820	
<b>Ending Fund Balance</b>			<b>\$ -</b>	

**CITY OF MANVEL, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended September 30, 2023

Law Enforcement				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 3,376	\$ 2,376
<b>Total Revenues</b>	1,000	1,000	3,376	2,376
<b>Expenditures</b>				
<b>Current:</b>				
General government	1,000	1,000	-	1,000
<b>Total Expenditures</b>	1,000	1,000	-	1,000
<b>Net Change in Fund Balance</b>	\$ -	\$ -	3,376	\$ 3,376
Beginning fund balance			4,020	
<b>Ending Fund Balance</b>			\$ 7,396	

Park				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Expenditures</b>				
<b>Current:</b>				
General government	\$ 308,100	\$ 333,100	\$ 56,149	\$ 276,951
<b>Total Expenditures</b>	308,100	333,100	56,149	276,951
<b>(Deficiency) of Revenues (Under)</b>				
<b>Expenditures</b>	(308,100)	(333,100)	(56,149)	276,951
<b>Other Financing Sources (Uses)</b>				
Transfers in	308,100	333,100	-	(333,100)
<b>Total Other Financing Sources</b>	308,100	333,100	-	(333,100)
<b>Net Change in Fund Balance</b>	\$ -	\$ -	(56,149)	\$ (56,149)
Beginning fund balance			267,113	
<b>Ending Fund Balance</b>			\$ 210,964	

**CITY OF MANVEL, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended September 30, 2023

		PEG Fee			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>					
	Other fees	\$ 10,000	\$ 10,000	\$ 13,178	\$ 3,178
	<b>Total Revenues</b>	10,000	10,000	13,178	3,178
<b>Expenditures</b>					
<b>Current:</b>					
	General government	50,000	50,000	-	50,000
	<b>Total Expenditures</b>	50,000	50,000	-	50,000
	<b>Net Change in Fund Balance</b>	\$ (40,000)	\$ (40,000)	13,178	\$ 53,178
	Beginning fund balance			172,403	
	<b>Ending Fund Balance</b>			\$ 185,581	

		Municipal Jury			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>					
	Fines and forfeitures	\$ 150	\$ 150	\$ 185	\$ 35
	<b>Total Revenues</b>	150	150	185	35
<b>Expenditures</b>					
<b>Current:</b>					
	General governments	150	150	-	150
	<b>Total Expenditures</b>	150	150	-	150
	<b>Net Change in Fund Balance</b>	\$ -	\$ -	185	\$ 185
	Beginning fund balance			135	
	<b>Ending Fund Balance</b>			\$ 320	

**CITY OF MANVEL, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended September 30, 2023**

	<u>Truancy Prevention</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget Amounts</b>	<b>Final Budget Amounts</b>	<b>Actual Amounts</b>	
<b><u>Revenues</u></b>				
Fines and forfeitures	\$ 5,900	\$ 5,900	\$ 12,076	\$ 6,176
<b>Total Revenues</b>	<u>5,900</u>	<u>5,900</u>	<u>12,076</u>	<u>6,176</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	5,900	5,900	11,172	(5,272) *
<b>Total Expenditures</b>	<u>5,900</u>	<u>5,900</u>	<u>11,172</u>	<u>(5,272)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	904	<u>\$ 904</u>
Beginning fund balance			<u>2,177</u>	
<b>Ending Fund Balance</b>			<u>\$ 3,081</u>	

\* Expenditures exceeded appropriations at the legal level of control.

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