

# **City of Ennis, Texas**

## **Annual Comprehensive Financial Report**

**For the Fiscal Year Ended  
September 30, 2022**

**Prepared by: City of Ennis, Texas Finance Department**





**City of Ennis, Texas**  
**September 30, 2022**

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March 24, 2023

To the Honorable Mayor, Members of the City Commission, and Citizens of the City of Ennis, Texas:

State and Federal regulations require that local governments publish a complete set of audited financial statements within six months of each fiscal year's close. This Comprehensive Annual Financial Report for the City of Ennis (City) is published to fulfill those requirements for the fiscal year ended September 30, 2022. Management assumes full responsibility for the completeness and reliability of the information in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. FORVIS, LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City of Ennis' financial statements for the year ended September 30, 2022. The independent auditors' report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE CITY OF ENNIS**

The City, incorporated in 1872, is located 30 miles south of Dallas in Ellis County. The City has a land area of 28.06 square miles and a population of approximately 24,123, as estimated by the United States Census Bureau. The City has operated under the Commission-Manager form of government since 1956. Policy-making and legislative authority are vested in a governing body (City Commission) consisting of the mayor and six commission members, all elected through popular vote. Commission members serve three-year terms, with five of the commissioners elected by single-member ward and the mayor and mayor pro-tem elected at large. Terms of the commission members are staggered so that an election is held every year.

The City provides a full range of services. These include public safety (police and fire), municipal court, sanitation, parks, library, public works, and general administrative services. In addition, the City owns and operates a water distribution system, wastewater collection system, and an airport.



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The Commission is required to adopt an initial budget for the fiscal year during September of each year for the new budget year, beginning on October 1. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund and department. The City Manager is authorized by ordinance to make intra-departmental and inter-departmental fund transfers within a fund as becomes necessary to avoid over-expenditure of a particular account or department. The City Charter provides that the City Commission may amend the budget in the same manner in which the budget is approved.

## **LOCAL ECONOMY**

The City has always shared the good fortune of proximity to the Dallas-Fort Worth Metroplex (DFW) and its location at the convergence of significant transportation routes. At the same time, far enough away to enjoy lower business operating and living costs. Ennis is strategically located at the intersection of Interstate 45 and State highway 287. Traffic from DFW traverse these highways to Houston, 205 miles to the South. Ennis started as a railway hub, and rail transportation continues to be a major asset to the City's economy. From Ennis, rail access extends in all four cardinal directions and accentuates the City's attractiveness to business dependent upon multiple forms of transportation.

Ennis is home to 650 businesses employing more than 8,500 people. Home to a diverse industrial base including information technology, manufacturers, processors, and distribution centers. The manufacturing facilities produce and distribute plastics, electronic components, bedding and furniture, structural steel, roofing and siding, traffic solutions, and drilling/pipeline products. Other businesses located within the City's boundaries include a regional medical center, financial institutions, Texas Motorplex, Bardwell Lake, Sugar Ridge Winery, retail stores, and restaurants.

Due to the strong local economy, the City has a tax bond credit rating of AA- from Standard & Poor's.

The City is experiencing a period of significant growth and investment. New development and re-development throughout the downtown and surrounding areas have allowed Ennis to become a hub for the region. This development, combined with retail and service industries, the presence of recreational, educational, and health facilities, has even further strengthened the City's already strong economic base.





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## **LONG-TERM FINANCIAL PLANNING**

In 2014, the City began formulating a comprehensive plan to establish a direction for the foreseeable future. Community input has been considerable and has provided significant insight into a collective view for quality of life, economic development, and sustainability. Visible progress on the Downtown Master Plan is already paying dividends in terms of occupancy and business activity.

Internally, the Staff is formulating financial-planning models to support the long-term planning effort. Each possible program addition or change is analyzed in terms of the impact over a five-year window as a part of the decision-making process. The models also enable the City to make assumptions about the future debt capacity of the operational funds. The ability to determine current resources and future debt proceeds will enable the City to move forward with a new Capital Improvement Program. Major capital improvements have and will be funded through the issuance of long-term debt instead of being funded via appropriations in the operating budget.

This report's preparation could not be accomplished on a timely basis without the Finance Staff and the independent auditors' efficient and dedicated endeavors. We want to express our sincere appreciation to all employees who contributed to the preparation. We would also like to thank the Mayor and City Commission for their continued support in planning and conducting the City's financial operations responsibly and progressively.

Respectfully submitted,

Marty Nelson  
City Manager

Stephen Barnes  
Director of Finance

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**City of Ennis, Texas**  
**GFOA Certificate of Achievement**  
**September 30, 2022**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Ennis  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

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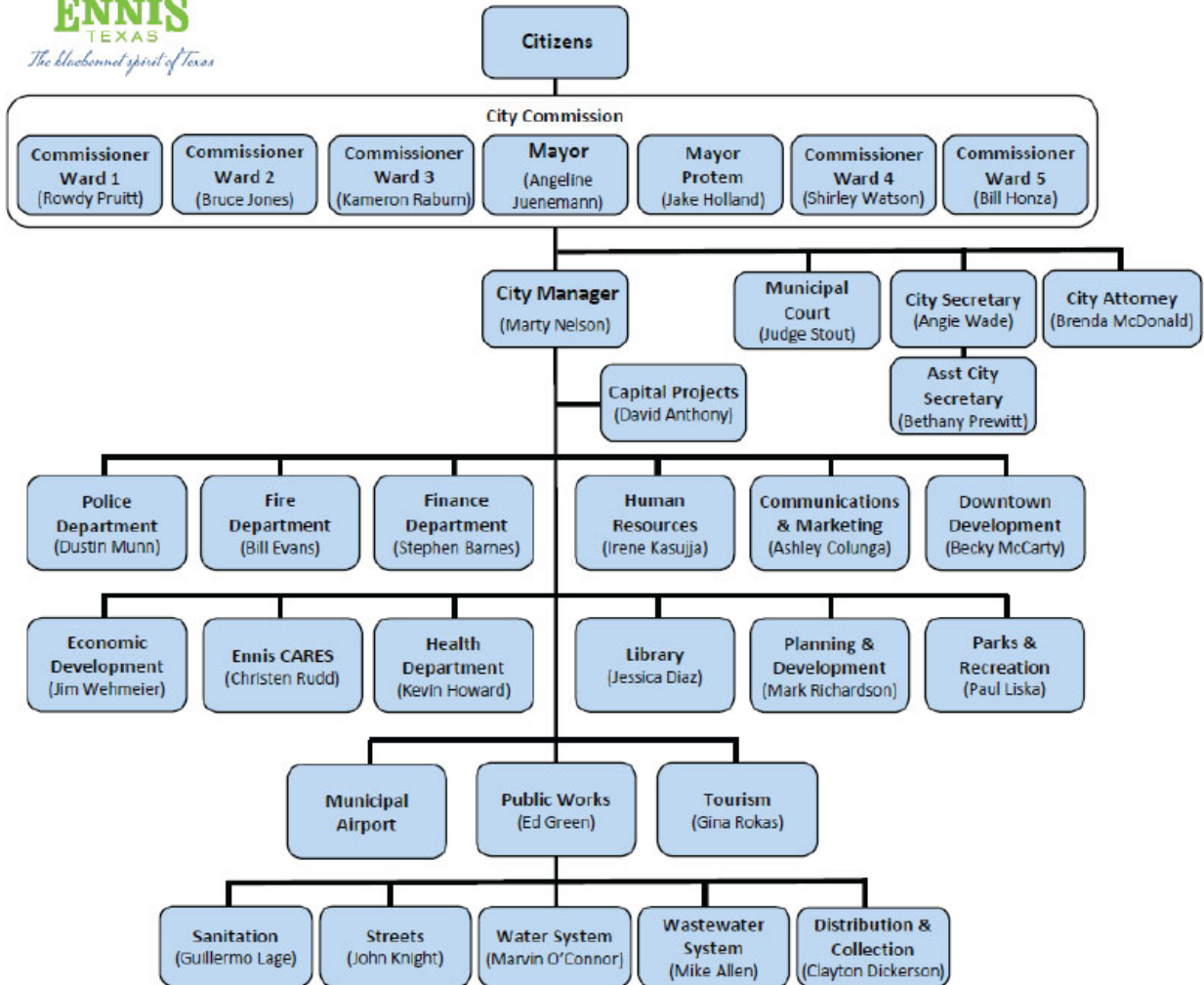
# City of Ennis, Texas

## Organizational Chart

September 30, 2022



## Organizational Chart



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**City of Ennis, Texas**  
**List of Elected Officials, Administrators, and Consultants**  
**September 30, 2022**

|                          |                   |
|--------------------------|-------------------|
| Mayor (at large)         | Angeline Jueneman |
| Mayor Pro Tem (at large) | Jake Holland      |
| Commissioner – Ward 1    | Rowdy Pruitt      |
| Commissioner – Ward 2    | Bruce Jones       |
| Commissioner – Ward 3    | Kameron Raburn    |
| Commissioner – Ward 4    | Shirley Watson    |
| Commissioner – Ward 5    | Bill Honza        |

**ADMINISTRATION**

|                                     |                                  |
|-------------------------------------|----------------------------------|
| City Manager                        | Marty Nelson                     |
| City Secretary                      | Angie Wade                       |
| Police Chief                        | Dustin Munn                      |
| Fire Chief                          | Bill Evans                       |
| Finance Director                    | Stephen Barnes                   |
| Communications & Marketing Director | Ashley Colunga                   |
| Downtown Development Director       | Becky McCarty                    |
| Economic Development Director       | Jim Wehmeier                     |
| Ennis CARES Coordinator             | Christen Rudd                    |
| Health Director                     | Kevin Howard                     |
| Library Director                    | Jessica Diaz                     |
| Planning & Development Director     | Mark Richardson                  |
| Parks & Recreation Director         | Paul Liska                       |
| Director of Public Works            | Ed Green                         |
| Tourism Director                    | Gina Rokas                       |
| City Attourney                      | Messer, Rockfeller, & Fort, PLLC |
| Auditors                            | FORVIS, LLP                      |

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## **Financial Section**

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## Independent Auditor's Report

The Honorable Mayor and City Commissioners  
City of Ennis, Texas  
Ennis, Texas

### Report on the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ennis, Texas (City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

As discussed in *Note 1* to the financial statements, in fiscal year 2022 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

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

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

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

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

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

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

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

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

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

**FORVIS,LLP**

**Dallas, Texas  
March 24, 2023**



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As management of the City of Ennis, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$103,827,772 (*net position*). Of this amount, \$20,832,406 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$18,279,468.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$60,259,741, an increase of \$22,076,603 in comparison with the prior year primarily due to increase in General Capital Projects fund due to the issuance of new bonds, as well as increases in the general and QIPP funds due to increases in property and sales tax revenues and increases attributable to QIPP services. Approximately 25 percent of this amount \$14,862,723 is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$14,878,002, or approximately 65 percent of the total general fund expenditures.

### **Overview of the Financial Statements**

The *management's discussion and analysis* provided here are intended to serve as an introduction to the City's *basic financial statements*. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

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

The *statement of net position* presents financial information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.



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The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal 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*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

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

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. Complete financial statements for the component unit are available from the City Finance Director upon request.

The government-wide financial statements can be found on pages 17-18 of this report.

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





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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund 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 twenty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, QIPP Fund, General Capital Projects Fund, Certificates of Obligation Series 2019 Fund, and the Debt Service Fund, which are considered to be major funds. Data from the other twenty one governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

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

The basic governmental fund financial statements can be found on pages 19-23 of this report.



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**Proprietary Funds.** The City maintains two types of proprietary funds. The *enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses the enterprise funds to account for its water and sewer, sanitation, and airport operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the management of its self-insurance. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility fund, which is considered to be a major fund of the City. Data from the other two enterprise funds are combined into a single aggregated presentation. Data for the internal service fund is also presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 24-26 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-69 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligations to provide pension and supplemental death benefits to its employees. Required supplementary information can be found on pages 70-72 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 75-91 of this report.



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### Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$103,827,772, at the close of the most recent fiscal year.

|                                      | Governmental Activities |               | Business-Type Activities |               | Total          |               |
|--------------------------------------|-------------------------|---------------|--------------------------|---------------|----------------|---------------|
|                                      | 2022                    | 2021          | 2022                     | 2021          | 2022           | 2021          |
| Current and other assets             | \$ 77,324,052           | \$ 60,638,984 | \$ 27,242,044            | \$ 13,207,863 | \$ 104,566,096 | \$ 73,846,847 |
| Capital assets                       | 96,481,943              | 91,554,254    | 52,377,527               | 49,868,949    | 148,859,470    | 141,423,203   |
| Total assets                         | 173,805,995             | 152,193,238   | 79,619,571               | 63,076,812    | 253,425,566    | 215,270,050   |
| Total deferred outflows of resources | 3,014,312               | 1,870,805     | 712,305                  | 425,943       | 3,726,617      | 2,296,748     |
| Long term liabilities                | 97,795,051              | 86,625,652    | 31,615,732               | 18,771,299    | 129,410,783    | 105,396,951   |
| Other liabilities                    | 14,335,161              | 19,865,882    | 3,817,206                | 4,053,609     | 18,152,367     | 23,919,491    |
| Total liabilities                    | 112,130,212             | 106,491,534   | 35,432,938               | 22,824,908    | 147,563,150    | 129,316,442   |
| Total deferred inflows of resources  | 4,629,578               | 2,166,483     | 1,131,683                | 535,569       | 5,761,261      | 2,702,052     |
| Net position                         |                         |               |                          |               |                |               |
| Net investment in capital assets     | 29,775,266              | 28,463,890    | 40,714,128               | 38,282,575    | 70,489,394     | 66,746,465    |
| Restricted                           | 12,505,972              | 4,209,037     | -                        | -             | 12,505,972     | 4,209,037     |
| Unrestricted                         | 17,779,279              | 12,733,099    | 3,053,127                | 1,859,703     | 20,832,406     | 14,592,802    |
| Total net position                   | \$ 60,060,517           | \$ 45,406,026 | \$ 43,767,255            | \$ 40,142,278 | \$ 103,827,772 | \$ 85,548,304 |

By far, the largest portion of the City's net position (67.89 percent) reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, and water rights), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (12.04 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$20,832,406 is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

The City's total net investment in capital assets increased as the additions from capital outlays and work-in-progress exceeded capital related debt issued, depreciation, and retirements.



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The City's overall net position increased \$18,279,468 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

### Changes in Net Position

|  | Governmental<br>Activities |                | Business-Type<br>Activities |               | Total          |                |
|--|----------------------------|----------------|-----------------------------|---------------|----------------|----------------|
|  | 2022                       | 2021           | 2022                        | 2021          | 2022           | 2021           |
| <b>Revenues</b>  |                            |                |                             |               |                |                |
| Program revenues   |                            |                |                             |               |                |                |
| Charges for services   | \$ 223,506,754             | \$ 148,198,480 | \$ 13,878,836               | \$ 12,958,526 | \$ 237,385,590 | \$ 161,157,006 |
| Operating grants and contributions                           | 2,861,286                  | 5,034,089      | 53,989                      | -             | 2,915,275      | 5,034,089      |
| Capital grants and contributions                             | 3,462,565                  | 3,070,891      | 2,052,038                   | 4,648,631     | 5,514,603      | 7,719,522      |
| General revenues   |                            |                |                             |               |                |                |
| Property taxes   | 15,820,591                 | 15,124,636     | -                           | -             | 15,820,591     | 15,124,636     |
| Sales taxes  | 10,771,085                 | 7,585,464      | -                           | -             | 10,771,085     | 7,585,464      |
| Franchise taxes  | 1,933,079                  | 1,694,133      | -                           | -             | 1,933,079      | 1,694,133      |
| Hotel occupancy taxes  | 490,768                    | 516,155        | -                           | -             | 490,768        | 516,155        |
| Alcoholic beverage taxes                                     | 76,540                     | 77,564         | -                           | -             | 76,540         | 77,564         |
| Grants and contributions not restricted to specific programs | -                          | -              | 2,772,566                   | -             | 2,772,566      | -              |
| Investment earnings  | 93,741                     | 153,933        | 91,511                      | 38,460        | 185,252        | 192,393        |
| Gain on sale of capital assets                               | -                          | -              | 113,412                     | 4,334         | 113,412        | 4,334          |
| Miscellaneous  | 885,177                    | 605,402        | -                           | -             | 885,177        | 605,402        |
| Total revenues   | 259,901,586                | 182,060,747    | 18,962,352                  | 17,649,951    | 278,863,938    | 199,710,698    |
| <b>Expenses</b>  |                            |                |                             |               |                |                |
| General government   | 5,118,335                  | 4,377,857      | -                           | -             | 5,118,335      | 4,377,857      |
| Public safety  | 13,714,222                 | 13,037,988     | -                           | -             | 13,714,222     | 13,037,988     |
| Streets  | 3,930,028                  | 3,491,357      | -                           | -             | 3,930,028      | 3,491,357      |
| Health   | 218,194,521                | 145,722,694    | -                           | -             | 218,194,521    | 145,722,694    |
| Equipment services   | 344,990                    | 315,210        | -                           | -             | 344,990        | 315,210        |
| Cultural and recreational                                    | 2,103,452                  | 1,823,078      | -                           | -             | 2,103,452      | 1,823,078      |
| Airport  | -                          | -              | 218,031                     | 178,865       | 218,031        | 178,865        |
| Hospital   | 1,128,807                  | -              | -                           | -             | 1,128,807      | -              |
| Public works   | 645,638                    | 585,827        | -                           | -             | 645,638        | 585,827        |
| Interest on long-term debt                                   | 2,637,086                  | 2,503,864      | -                           | -             | 2,637,086      | 2,503,864      |
| Utility  | -                          | -              | 11,200,785                  | 10,040,237    | 11,200,785     | 10,040,237     |
| Sanitation   | -                          | -              | 1,348,575                   | 1,479,244     | 1,348,575      | 1,479,244      |
| Total expenses   | 247,817,079                | 171,857,875    | 12,767,391                  | 11,698,346    | 260,584,470    | 183,556,221    |
| Change in net position before transfers                      | 12,084,507                 | 10,202,872     | 6,194,961                   | 5,951,605     | 18,279,468     | 16,154,477     |
| Transfers  | 2,569,984                  | 170,161        | (2,569,984)                 | (170,161)     | -              | -              |
| Change in net position                                       | 14,654,491                 | 10,373,033     | 3,624,977                   | 5,781,444     | 18,279,468     | 16,154,477     |
| <b>Net Position – Beginning</b>                              | 45,406,026                 | 35,032,993     | 40,142,278                  | 34,360,834    | 85,548,304     | 69,393,827     |
| <b>Net Position – Ending</b>                                 | \$ 60,060,517              | \$ 45,406,026  | \$ 43,767,255               | \$ 40,142,278 | \$ 103,827,772 | \$ 85,548,304  |



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**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$14,654,491 from the prior fiscal year for an ending balance of \$60,060,517. Revenues and expenses rose 43 percent and 44 percent, respectively, primarily as a result of the City's Quality Improvement Payment Program (QIPP) expanded in 2022.

**Business-type Activities.** For the City's business-type activities, the results for the current fiscal year resulted in an increase in net position to an ending balance of \$43,767,255. The total increase in net position for business-type activities (utility, sanitation, and airport operations) was \$3,624,977 or 9 percent from the prior fiscal year. Revenues from charges for services rose \$920,310, or 5 percent due to continued growth in residential and commercial development and a budgeted wastewater rate increase. Total expenses before transfers increased \$1,069,045 in fiscal year 2022 due to maintaining an aging infrastructure and inflation increasing critical supply costs.

### ***Financial Analysis of Governmental Funds***

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

***Governmental Funds.*** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Commissioners.

At September 30, 2022, the City's governmental funds reported combined fund balances of \$60,259,741, an increase of \$22,076,603 in comparison with the prior year. Approximately 25 percent of this amount (\$14,862,723) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable or restricted to indicate that it is: 1) not in spendable form (\$4,270,566), 2) legally required to be maintained intact (\$28,966), or 3) restricted for particular purposes (\$41,097,486).



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The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$14,878,002, while total fund balance increased to \$14,926,142. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 65.31 percent of total general fund expenditures, while total fund balance represents approximately 65.52 percent of that same amount.

The fund balance of the City's general fund increased by \$3,401,114 during the current fiscal year. Revenues increased by \$2,315,102 (10.5 percent) above the previous year due to an increase in sales tax contributing \$2,279,332 to the increase. General fund expenditures increase \$2,522,896 due to inflation increasing the cost of supplies and personnel costs associated with pay increases and new positions.

The QIPP fund, a major governmental fund, has a \$5,877,173 increase in fund balance during the current fiscal year which increased total fund balance to \$9,941,310. The increase in revenue and expenditures is primarily related to the City's expansion in the program during 2022 from 21 to 26 nursing homes.

The general capital projects fund, a major governmental fund, has a \$10,031,591 increase in fund balance during the current fiscal year. The increase is primarily the result of series 2022 bond issuances.

The Certificate of Obligations Series 2019 fund, a major governmental fund, has a \$179,176 increase in fund balance during the current fiscal year which increased total fund balance to \$0. The increase is primarily the result of transfers in during 2022 in order to close the fund out.

The debt service fund, a major fund, had an increase in fund balance during the current year of \$69,415 to bring the year-end fund balance to \$105,597. The increase was primarily related to increased property tax collections during the year.

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



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Unrestricted net position of the Utility and Nonmajor Enterprise funds at the end of the year amounts to \$2,333,891 and \$135,303. Net position increased in 2022 by \$3,303,548 in the Utility fund and increased by \$346,590 in the Nonmajor Enterprise funds. For the Utility fund, operating revenues increased in 2022 by \$770,617 (6.9 percent). Operating expenses increased \$888,963 (9.3 percent). For the Nonmajor Enterprise funds, operating revenues increased in 2022 by \$157,807 (9.1 percent). Operating expenses decreased by \$91,503 (5.5 percent).

### **General Fund Budgetary Highlights**

**Final Budget Compared to Actual Results.** General fund actual revenues of \$21,840,869 exceeded budgeted revenues of \$17,092,016 by \$4,398,853. Following are the main components that experienced an increase of actual revenue compared to budgeted revenue:

- Sales tax revenue exceeded budgeted revenue by \$2,235,358 due to conservative budgeting, inflation spikes increasing the prices of goods and services, and continued economic growth in the commercial sector.
- Residential and commercial development has continued to increase beyond budgeted expectations resulting in an increase of \$711,219 over budgeted revenue for licenses and permits.

Actual general fund expenditures of \$22,780,227 exceeded budgeted expenditures of \$22,440,020. This \$340,207 negative variance in expenditures is due to onetime capital outlay to begin utilizing fund balance.

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

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$148,859,470 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, and water rights. The total increase in capital assets for the current fiscal year was approximately 5 percent.



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**Capital and Lease Assets  
(Net of Depreciation)**

|                          | Governmental<br>Activities |                      | Business-Type<br>Activities |                      | Total                 |                       |
|--------------------------|----------------------------|----------------------|-----------------------------|----------------------|-----------------------|-----------------------|
|                          | 2022                       | 2021*                | 2022                        | 2021*                | 2022                  | 2021*                 |
| Land                     | \$ 6,424,748               | \$ 6,418,075         | \$ 1,088,290                | \$ 1,088,290         | \$ 7,513,038          | \$ 7,506,365          |
| Construction in progress | 4,693,690                  | 4,323,635            | 4,400,883                   | 1,955,646            | 9,094,573             | 6,279,281             |
| Buildings                | 33,765,389                 | 34,982,192           | 2,795,932                   | 2,977,304            | 36,561,321            | 37,959,496            |
| Lease buildings          | 27,547                     | 36,514               | -                           | -                    | 27,547                | 36,514                |
| Improvements             | 7,029,155                  | 2,353,460            | 42,556,077                  | 42,242,447           | 49,585,232            | 44,595,907            |
| Machinery and equipment  | 3,366,246                  | 4,349,328            | 1,131,182                   | 1,271,314            | 4,497,428             | 5,620,642             |
| Infrastructure           | 40,984,633                 | 39,127,564           | -                           | -                    | 40,984,633            | 39,127,564            |
| Lease vehicles           | 190,535                    | -                    | 104,609                     | -                    | 295,144               | -                     |
| Water rights             | -                          | -                    | 300,554                     | 333,948              | 300,554               | 333,948               |
| Total                    | <u>\$ 96,481,943</u>       | <u>\$ 91,590,768</u> | <u>\$ 52,377,527</u>        | <u>\$ 49,868,949</u> | <u>\$ 148,859,470</u> | <u>\$ 141,459,717</u> |

\* Fiscal year 2021 amounts have been restated for GASB Statement No. 87, *Leases* (GASB 87) adoption.

Major capital asset events during the current fiscal year included the following:

- A transition to a leased fleet in order to improve city efficiency and cut maintenance costs has caused an overall reduction to machinery and equipment.
- Improvement additions of approximately \$4,989,325 consisting of new development contributions and improvements to high demand and high need areas of the City's streets and parks.
- Business-type construction in progress increased by \$2,445,237 as major water/wastewater infrastructure projects are anticipated to complete construction during FY23.

Additional information on the City's capital assets can be found in *Note 2* on pages 42-43 of this report.

**Long-term Debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$104,654,000, which is backed by the full faith and credit of the government. The remainder of the City's long-term obligations comprises development agreement payable and capital leases.





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### Outstanding Debt

|                               | Governmental<br>Activities |               | Business-Type<br>Activities |               | Total          |               |
|-------------------------------|----------------------------|---------------|-----------------------------|---------------|----------------|---------------|
|                               | 2022                       | 2021*         | 2022                        | 2021*         | 2022           | 2021*         |
| Certificates of obligation    | \$ 71,959,000              | \$ 57,275,000 | \$ 28,740,000               | \$ 15,615,000 | \$ 100,699,000 | \$ 72,890,000 |
| General obligations           | 3,955,000                  | 5,555,000     | -                           | 810,000       | 3,955,000      | 6,365,000     |
| Lease liability               | 276,792                    | 36,514        | 136,660                     | -             | 413,452        | 36,514        |
| Development agreement payable | 13,576,752                 | 14,121,735    | -                           | -             | 13,576,752     | 14,121,735    |
| Total                         | \$ 89,767,544              | \$ 76,988,249 | \$ 28,876,660               | \$ 16,425,000 | \$ 118,644,204 | \$ 93,413,249 |

\* Fiscal year 2021 amounts have been restated for GASB 87 adoption.

The City's total debt increased by \$25,230,955 (27.01 percent) during the current fiscal year due to the issuance of Series 2022 bonds.

The City's General Obligation and Combination Tax and Revenue Certificates of Obligation ratings are listed below.

#### Standard's & Poor's

|                            |     |
|----------------------------|-----|
| General Obligation Bonds   | AA- |
| Certificates of Obligation | AA  |

Additional information on the City's long term-debt can be found in *Note 2* on pages 49-53 of this report.

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

The City considers many factors in setting the budget. Growth is still a trending occurrence, with Building permits exceeding 1,000 in 2022 and expected to continue at this rate through 2023.

Increased development, new businesses gaining traction, and existing businesses expanding are providing more opportunities for the City. These factors and others have provided support to budget significant increases to property tax and sales tax revenues. Budgeted expenditures has also increased to provide more support to key departments as well as to provide the existing and growing population with capital investments that promote the wellbeing of the City and its citizens.



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### ***Requests for Information***

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 107 N Sherman Street, Ennis, Texas 75120.

## **Basic Financial Statements**

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**City of Ennis, Texas**  
**Statement of Net Position**  
**September 30, 2022**

|  | <b>Primary Government</b> |                      |                       | <b>Component Unit</b> |
|--|---------------------------|----------------------|-----------------------|-----------------------|
|  | <b>Governmental</b>       | <b>Business-type</b> | <b>Total</b>          | <b>Ennis</b>          |
|  | <b>Activities</b>         | <b>Activities</b>    |                       | <b>Economic</b>       |
| <b>Assets</b>  |                           |                      |                       | <b>Development</b>    |
|  |                           |                      |                       | <b>Corporation</b>    |
| Cash and cash equivalents                                  | \$ 62,349,599             | \$ 6,514,481         | \$ 68,864,080         | \$ 5,803,732          |
| Receivables (net of allowance for uncollectibles)          | 3,234,609                 | 1,482,899            | 4,717,508             | 594,248               |
| Lease receivable   | 308,949                   | 53,901               | 362,850               | -                     |
| Intergovernmental receivables                              | 6,975,477                 | -                    | 6,975,477             | -                     |
| Internal balances  | 184,852                   | (184,852)            | -                     | -                     |
| Inventories  | 48,140                    | 162,151              | 210,291               | -                     |
| Prepaid items  | 4,222,426                 | -                    | 4,222,426             | -                     |
| Restricted cash and cash equivalents                       | -                         | 19,213,464           | 19,213,464            | -                     |
| Capital and leased assets                                  |                           |                      |                       |                       |
| Non-depreciable  | 11,118,438                | 5,489,173            | 16,607,611            | 5,305,257             |
| Depreciable (net of accumulated depreciation/amortization) | 85,363,505                | 46,888,354           | 132,251,859           | 4,598,636             |
| Total assets   | <u>173,805,995</u>        | <u>79,619,571</u>    | <u>253,425,566</u>    | <u>16,301,873</u>     |
| <b>Deferred Outflows of Resources</b>                      |                           |                      |                       |                       |
| Deferred charges on refunding                              | 182,011                   | -                    | 182,011               | 79,980                |
| Deferred outflows of resources related to pension          | 2,563,218                 | 641,976              | 3,205,194             | -                     |
| Deferred outflows of resources related to OPEB             | 269,083                   | 70,329               | 339,412               | -                     |
| Total deferred outflows of resources                       | <u>3,014,312</u>          | <u>712,305</u>       | <u>3,726,617</u>      | <u>79,980</u>         |
| <b>Liabilities</b>   |                           |                      |                       |                       |
| Accounts payable and other current liabilities             | 2,358,554                 | 531,665              | 2,890,219             | 332,020               |
| Accrued payroll payable                                    | 1,309,149                 | 171,510              | 1,480,659             | -                     |
| Accrued interest payable                                   | 603,320                   | 167,224              | 770,544               | 14,276                |
| Line of credit   | 10,064,138                | -                    | 10,064,138            | -                     |
| Customer deposits payable                                  | -                         | 670,210              | 670,210               | -                     |
| Unearned revenue   | -                         | 2,276,597            | 2,276,597             | -                     |
| Noncurrent liabilities:                                    |                           |                      |                       |                       |
| Due within one year  | 5,556,174                 | 1,387,471            | 6,943,645             | 629,011               |
| Due in more than one year                                  | 92,238,877                | 30,228,261           | 122,467,138           | 4,902,471             |
| Total liabilities  | <u>112,130,212</u>        | <u>35,432,938</u>    | <u>147,563,150</u>    | <u>5,877,778</u>      |
| <b>Deferred Inflows of Resources</b>                       |                           |                      |                       |                       |
| Deferred inflows of resources related to pension           | 4,131,281                 | 1,025,429            | 5,156,710             | -                     |
| Deferred inflows of resources related to OPEB              | 201,072                   | 52,954               | 254,026               | -                     |
| Deferred inflows of resources related to leases            | 297,225                   | 53,300               | 350,525               | -                     |
| Total deferred inflows of resources                        | <u>4,629,578</u>          | <u>1,131,683</u>     | <u>5,761,261</u>      | <u>-</u>              |
| <b>Net Position</b>  |                           |                      |                       |                       |
| Net investment in capital assets                           | 29,775,266                | 40,714,128           | 70,489,394            | 4,452,391             |
| Restricted for:  |                           |                      |                       |                       |
| Capital projects   | 920,959                   | -                    | 920,959               | -                     |
| Cultural and recreational                                  | 1,145,374                 | -                    | 1,145,374             | -                     |
| Debt service   | 105,597                   | -                    | 105,597               | -                     |
| Economic development                                       | -                         | -                    | -                     | 6,051,684             |
| Public safety  | 1,872,688                 | -                    | 1,872,688             | -                     |
| Streets  | 2,250,394                 | -                    | 2,250,394             | -                     |
| Tourism  | 492,076                   | -                    | 492,076               | -                     |
| Health   | 5,718,884                 | -                    | 5,718,884             | -                     |
| Unrestricted   | 17,779,279                | 3,053,127            | 20,832,406            | -                     |
| Total net position   | <u>\$ 60,060,517</u>      | <u>\$ 43,767,255</u> | <u>\$ 103,827,772</u> | <u>\$ 10,504,075</u>  |

The notes to the financial statements are an integral part of this statement.



**City of Ennis, Texas**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2022**

| <b>Assets</b>  | <b>General</b>       | <b>QIPP</b>          | <b>General<br/>Capital<br/>Projects</b> | <b>Certificates<br/>Of Obligation<br/>Series 2019</b> | <b>Debt<br/>Service</b> | <b>Total<br/>Nonmajor<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|----------------------|----------------------|---|---|-------------------------|-------------------------------------|---|
| Cash and cash equivalents  | \$ 13,936,395        | \$ 9,901,878         | \$ 29,330,944                           | \$ -  | \$ 92,580               | \$ 6,214,068                        | \$ 59,475,865                           |
| Receivables (net of allowance for uncollectibles)                          | 2,484,317            | -                    | -                                       | -   | 73,309                  | 676,983                             | 3,234,609                               |
| Lease receivable   | 308,949              | -                    | -                                       | -   | -                       | -                                   | 308,949                                 |
| Intergovernmental receivables  | -                    | 6,975,477            | -                                       | -   | -                       | -                                   | 6,975,477                               |
| Due from other funds   | 226,456              | -                    | -                                       | -   | -                       | -                                   | 226,456                                 |
| Inventories  | 48,140               | -                    | -                                       | -   | -                       | -                                   | 48,140                                  |
| Prepaid items  | -                    | 4,222,426            | -                                       | -   | -                       | -                                   | 4,222,426                               |
| <b>Total assets</b>  | <b>\$ 17,004,257</b> | <b>\$ 21,099,781</b> | <b>\$ 29,330,944</b>                    | <b>\$ -</b>   | <b>\$ 165,889</b>       | <b>\$ 6,891,051</b>                 | <b>\$ 74,491,922</b>                    |
| <b>Liabilities</b>   |                      |                      |   |   |                         |                                     |   |
| Accounts payable   | \$ 501,306           | \$ 951,758           | \$ 739,430                              | \$ -  | \$ -                    | \$ 166,060                          | \$ 2,358,554                            |
| Accrued payroll payable  | 770,449              | -                    | -                                       | -   | -                       | 9,811                               | 780,260                                 |
| Due to other funds   | 17,211               | -                    | -                                       | -   | -                       | 15,279                              | 32,490                                  |
| Accrued interest payable   | -                    | 142,575              | -                                       | -   | -                       | -                                   | 142,575                                 |
| Line of credit   | -                    | 10,064,138           | -                                       | -   | -                       | -                                   | 10,064,138                              |
| <b>Total liabilities</b>   | <b>1,288,966</b>     | <b>11,158,471</b>    | <b>739,430</b>                          | <b>-</b>  | <b>-</b>                | <b>191,150</b>                      | <b>13,378,017</b>                       |
| <b>Deferred Inflows of Resources</b>                                       |                      |                      |   |   |                         |                                     |   |
| Unavailable revenue – property taxes                                       | 91,543               | -                    | -                                       | -   | 60,292                  | 4,723                               | 156,558                                 |
| Unavailable revenue – court  | 326,459              | -                    | -                                       | -   | -                       | -                                   | 326,459                                 |
| Unavailable revenue – other  | 73,922               | -                    | -                                       | -   | -                       | -                                   | 73,922                                  |
| Lease related  | 297,225              | -                    | -                                       | -   | -                       | -                                   | 297,225                                 |
| <b>Total deferred inflows of resources</b>                                 | <b>789,149</b>       | <b>-</b>             | <b>-</b>                                | <b>-</b>  | <b>60,292</b>           | <b>4,723</b>                        | <b>854,164</b>                          |
| <b>Fund Balances (Deficit)</b>   |                      |                      |   |   |                         |                                     |   |
| Nonspendable   |                      |                      |   |   |                         |                                     |   |
| Endowment  | -                    | -                    | -                                       | -   | -                       | 28,966                              | 28,966                                  |
| Inventories  | 48,140               | -                    | -                                       | -   | -                       | -                                   | 48,140                                  |
| Prepaid items  | -                    | 4,222,426            | -                                       | -   | -                       | -                                   | 4,222,426                               |
| Restricted   |                      |                      |   |   |                         |                                     |   |
| Capital projects   | -                    | -                    | 28,591,514                              | -   | -                       | 920,959                             | 29,512,473                              |
| Cultural and recreational  | -                    | -                    | -                                       | -   | -                       | 1,145,374                           | 1,145,374                               |
| Debt service   | -                    | -                    | -                                       | -   | 105,597                 | -                                   | 105,597                                 |
| Public safety  | -                    | -                    | -                                       | -   | -                       | 1,872,688                           | 1,872,688                               |
| Streets  | -                    | -                    | -                                       | -   | -                       | 2,250,394                           | 2,250,394                               |
| Tourism  | -                    | -                    | -                                       | -   | -                       | 492,076                             | 492,076                                 |
| Health   | -                    | 5,718,884            | -                                       | -   | -                       | -                                   | 5,718,884                               |
| Unassigned (deficit)   | 14,878,002           | -                    | -                                       | -   | -                       | (15,279)                            | 14,862,723                              |
| <b>Total fund balances</b>   | <b>14,926,142</b>    | <b>9,941,310</b>     | <b>28,591,514</b>                       | <b>-</b>  | <b>105,597</b>          | <b>6,695,178</b>                    | <b>60,259,741</b>                       |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 17,004,257</b> | <b>\$ 21,099,781</b> | <b>\$ 29,330,944</b>                    | <b>\$ -</b>   | <b>\$ 165,889</b>       | <b>\$ 6,891,051</b>                 | <b>\$ 74,491,922</b>                    |

**City of Ennis, Texas**  
**Reconciliation of the Balance Sheet - Governmental Funds to the**  
**Government-wide Statement of Net Position**  
**September 30, 2022**

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

|  |    |                     |
|--|----|---------------------|
| Total fund balances - governmental funds   | \$ | 60,259,741          |
| Capital and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  |    | 96,481,943          |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.  |    | 556,939             |
| Deferred outflows of resources related to deferred charges on bond refundings, pension and OPEB are not reported in the governmental funds:  |    |                     |
| Deferred charges on refunding  | \$ | 182,011             |
| Deferred outflows of resources related to pension  |    | 2,563,218           |
| Deferred outflows of resources related to OPEB   |    | <u>269,083</u>      |
|  |    | 3,014,312           |
| Internal service funds are used by management to charge the cost of self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. |    | 2,335,731           |
| Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in the governmental funds balance sheet.  |    | (460,745)           |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.   |    |                     |
| Due within one year  |    | (5,556,174)         |
| Due in more than one year  |    | <u>(92,238,877)</u> |
|  |    | (97,795,051)        |
| Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds:  |    |                     |
| Deferred inflows of resources related to pension   |    | (4,131,281)         |
| Deferred inflows of resources related to OPEB  |    | <u>(201,072)</u>    |
|  |    | <u>(4,332,353)</u>  |
| Net position of governmental activities  | \$ | <u>60,060,517</u>   |



**City of Ennis, Texas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended September 30, 2022**

| Revenues   | General              | QIPP                | General<br>Capital<br>Projects | Certificates<br>Of Obligation<br>Series 2019 | Debt<br>Service   | Total<br>Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|---------------------|--------------------------------|--|-------------------|----------------------------|--------------------------------|
| Property taxes   | \$ 9,487,407         | \$ -                | \$ -                           | \$ -   | \$ 5,937,487      | \$ 374,405                 | \$ 15,799,299                  |
| Sales taxes  | 7,235,358            | -                   | -                              | -  | -                 | 3,535,727                  | 10,771,085                     |
| Franchise taxes  | 1,933,079            | -                   | -                              | -  | -                 | -                          | 1,933,079                      |
| Hotel occupancy taxes  | -                    | -                   | -                              | -  | -                 | 490,768                    | 490,768                        |
| Alcoholic beverage taxes                                     | 76,540               | -                   | -                              | -  | -                 | -                          | 76,540                         |
| Licenses and permits   | 1,339,129            | -                   | -                              | -  | -                 | -                          | 1,339,129                      |
| Fines and forfeitures  | 230,783              | -                   | -                              | -  | -                 | 15,171                     | 245,954                        |
| Charges for services   | 283,334              | 221,493,714         | -                              | -  | -                 | -                          | 221,777,048                    |
| Investment earnings  | 38,037               | 14,747              | 32,323                         | -  | 2,441             | 6,193                      | 93,741                         |
| Miscellaneous  | 821,840              | -                   | -                              | -  | 61,751            | 5,086                      | 888,677                        |
| Intergovernmental  | 45,362               | 2,599,697           | 213,277                        | -  | -                 | 2,949                      | 2,861,285                      |
| Contributions and donations                                  | 350,000              | -                   | -                              | -  | -                 | 10,837                     | 360,837                        |
| <b>Total revenues</b>  | <b>21,840,869</b>    | <b>224,108,158</b>  | <b>245,600</b>                 | <b>-</b>                                     | <b>6,001,679</b>  | <b>4,441,136</b>           | <b>256,637,442</b>             |
| <b>Expenditures</b>  |                      |                     |                                |  |                   |                            |                                |
| Current  |                      |                     |                                |  |                   |                            |                                |
| General government   | 4,888,358            | -                   | -                              | -  | -                 | 322,386                    | 5,210,744                      |
| Public safety  | 12,667,435           | -                   | -                              | -  | -                 | 89,401                     | 12,756,836                     |
| Streets  | 1,117,740            | -                   | -                              | -  | -                 | 440,692                    | 1,558,432                      |
| Health   | 552,285              | 217,642,236         | -                              | -  | -                 | -                          | 218,194,521                    |
| Equipment services   | 333,397              | -                   | -                              | -  | -                 | -                          | 333,397                        |
| Cultural and recreational                                    | 1,780,886            | -                   | -                              | -  | -                 | 14,511                     | 1,795,397                      |
| Public works   | 624,213              | -                   | -                              | -  | -                 | -                          | 624,213                        |
| Capital outlay:  |                      |                     |                                |  |                   |                            |                                |
| General government   | 815,913              | -                   | 7,713,287                      | 58,495                                       | -                 | 57,662                     | 8,645,357                      |
| Public works   | -                    | -                   | 362                            | -  | -                 | -                          | 362                            |
| Debt service:  |                      |                     |                                |  |                   |                            |                                |
| Principal retirement   | -                    | -                   | -                              | -  | 4,355,000         | -                          | 4,355,000                      |
| Interest and fiscal charges                                  | -                    | 238,749             | -                              | -  | 2,274,702         | -                          | 2,513,451                      |
| Bond issuance costs  | -                    | -                   | 272,748                        | -  | -                 | -                          | 272,748                        |
| <b>Total expenditures</b>                                    | <b>22,780,227</b>    | <b>217,880,985</b>  | <b>7,986,397</b>               | <b>58,495</b>                                | <b>6,629,702</b>  | <b>924,652</b>             | <b>256,260,458</b>             |
| Excess (deficiency) of revenues<br>over (under) expenditures | (939,358)            | 6,227,173           | (7,740,797)                    | (58,495)                                     | (628,023)         | 3,516,484                  | 376,984                        |
| <b>Other Financing Sources (Uses)</b>                        |                      |                     |                                |  |                   |                            |                                |
| Transfers in   | 4,024,006            | -                   | -                              | 237,671                                      | 697,438           | -                          | 4,959,115                      |
| Transfers out  | -                    | (350,000)           | (762,974)                      | -  | -                 | (1,027,357)                | (2,140,331)                    |
| Certificates of obligation issued                            | -                    | -                   | 17,439,000                     | -  | -                 | -                          | 17,439,000                     |
| Premium on bonds issued                                      | -                    | -                   | 1,056,362                      | -  | -                 | -                          | 1,056,362                      |
| Leases (as lessee)   | 254,046              | -                   | -                              | -  | -                 | -                          | 254,046                        |
| Capital contributions  | -                    | -                   | 40,000                         | -  | -                 | -                          | 40,000                         |
| Sale of capital assets                                       | 62,420               | -                   | -                              | -  | -                 | 29,007                     | 91,427                         |
| <b>Total other financing sources (uses)</b>                  | <b>4,340,472</b>     | <b>(350,000)</b>    | <b>17,772,388</b>              | <b>237,671</b>                               | <b>697,438</b>    | <b>(998,350)</b>           | <b>21,699,619</b>              |
| <b>Net change in fund balances</b>                           | <b>3,401,114</b>     | <b>5,877,173</b>    | <b>10,031,591</b>              | <b>179,176</b>                               | <b>69,415</b>     | <b>2,518,134</b>           | <b>22,076,603</b>              |
| <b>Fund Balances (Deficit), Beginning</b>                    | <b>11,525,028</b>    | <b>4,064,137</b>    | <b>18,559,923</b>              | <b>(179,176)</b>                             | <b>36,182</b>     | <b>4,177,044</b>           | <b>38,183,138</b>              |
| <b>Fund Balances, Ending</b>                                 | <b>\$ 14,926,142</b> | <b>\$ 9,941,310</b> | <b>\$ 28,591,514</b>           | <b>\$ -</b>                                  | <b>\$ 105,597</b> | <b>\$ 6,695,178</b>        | <b>\$ 60,259,741</b>           |

# City of Ennis, Texas

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities

### For the Fiscal Year Ended September 30, 2022

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

|  |              |               |
|--|--------------|---------------|
| Net Change in Fund Balances - total governmental funds   |              | \$ 22,076,603 |
| Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay recorded as capital assets in the current period.   |              | 7,214,939     |
| Governmental funds do not recognize contributed capital assets. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.  |              | 3,061,728     |
| The net effect of various miscellaneous transactions involving capital assets (i.e., asset retirements/disposals), and the transfer of capital assets from business-type activities to governmental activities to decrease net position.<br>Asset retirements/disposals  |              | (94,927)      |
| Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.   |              | (5,290,565)   |
| The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. |              |               |
| Bond principal retirement  | \$ 4,355,000 |               |
| Issuance of debt   | (17,439,000) |               |
| Issuance of premium  | (1,056,362)  |               |
| Lease issued   | (254,046)    |               |
| Principal payments on leases   | 13,768       |               |
| Amortization of bond premiums/discounts  | 294,136      |               |
| Amortization of deferred charge on refunding   | (69,869)     |               |
| Development agreement payable retirement   | 544,983      | (13,611,390)  |
| Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds. Change in accrued interest.   |              | (75,154)      |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.   |              | 17,760        |
| 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.  |              |               |
| Changes in pension liabilities and related deferred outflows and inflows of resources  | 1,497,202    |               |
| Changes in OPEB liabilities and related deferred outflows and inflows of resources   | (41,060)     | 1,456,142     |
| The internal service funds are used by management to charge the costs of self-insurance to individual funds. The net revenue or expense of certain activities of internal service funds is reported with governmental activities.  |              | (100,645)     |
| Change in net position of governmental activities  |              | \$ 14,654,491 |

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

| Revenues   | Budgeted Amounts     |                      | Actual<br>GAAP<br>Basis | Variance with<br>Final Budget |
|--|----------------------|----------------------|-------------------------|-------------------------------|
|  | Original             | Final                |                         |                               |
| Property taxes   | \$ 9,197,196         | \$ 9,197,196         | \$ 9,487,407            | \$ 290,211                    |
| Sales taxes  | 5,000,000            | 5,000,000            | 7,235,358               | 2,235,358                     |
| Franchise taxes  | 1,556,000            | 1,556,000            | 1,933,079               | 377,079                       |
| Alcoholic beverage taxes                                     | 49,000               | 49,000               | 76,540                  | 27,540                        |
| Licenses and permits   | 627,910              | 627,910              | 1,339,129               | 711,219                       |
| Fines and forfeitures  | 209,656              | 209,656              | 230,783                 | 21,127                        |
| Charges for services   | 234,530              | 234,530              | 283,334                 | 48,804                        |
| Investment earnings  | 34,000               | 34,000               | 38,037                  | 4,037                         |
| Miscellaneous  | 183,524              | 183,524              | 821,840                 | 638,316                       |
| Intergovernmental  | 200                  | 200                  | 45,362                  | 45,162                        |
| <b>Total revenues</b>  | <b>17,092,016</b>    | <b>17,092,016</b>    | <b>21,840,869</b>       | <b>4,398,853</b>              |
| <b>Expenditures</b>  |                      |                      |                         |                               |
| Current:   |                      |                      |                         |                               |
| General government:  |                      |                      |                         |                               |
| City Secretary   | 227,777              | 234,677              | 307,291                 | (72,614)                      |
| Administration   | 351,672              | 351,672              | 445,799                 | (94,127)                      |
| Downtown Development   | 476,112              | 571,266              | 557,051                 | 14,215                        |
| Communication and Marketing                                  | 183,353              | 183,353              | 100,353                 | 83,000                        |
| Ennis Cares  | 121,009              | 121,009              | 90,740                  | 30,269                        |
| Finance  | 523,025              | 523,025              | 513,267                 | 9,758                         |
| Economic development   | 302,552              | 302,552              | 370,675                 | (68,123)                      |
| Information technology                                       | 239,140              | 239,140              | 253,432                 | (14,292)                      |
| Human resources  | 383,997              | 383,997              | 369,749                 | 14,248                        |
| Nondepartmental  | 1,886,188            | 2,387,972            | 1,880,001               | 507,971                       |
| <b>Total general government</b>                              | <b>4,694,825</b>     | <b>5,298,663</b>     | <b>4,888,358</b>        | <b>410,505</b>                |
| Public safety:   |                      |                      |                         |                               |
| Police protection  | 5,900,008            | 5,919,863            | 5,933,067               | (13,204)                      |
| Judicial   | 333,900              | 333,900              | 296,465                 | 37,435                        |
| Fire protection  | 5,733,793            | 5,770,733            | 5,749,431               | 21,302                        |
| Planning and inspection                                      | 694,765              | 694,765              | 688,472                 | 6,293                         |
| <b>Total public safety</b>                                   | <b>12,662,466</b>    | <b>12,719,261</b>    | <b>12,667,435</b>       | <b>51,826</b>                 |
| Streets  | 1,228,702            | 1,228,702            | 1,117,740               | 110,962                       |
| Health   | 575,625              | 575,625              | 552,285                 | 23,340                        |
| Equipment services   | 326,156              | 326,156              | 333,397                 | (7,241)                       |
| Cultural and recreational:                                   |                      |                      |                         |                               |
| Parks and recreation   | 1,259,377            | 1,275,410            | 1,208,884               | 66,526                        |
| Library  | 531,848              | 531,848              | 521,708                 | 10,140                        |
| Museum   | 50,483               | 50,483               | 50,294                  | 189                           |
| <b>Total cultural and recreational</b>                       | <b>1,841,708</b>     | <b>1,857,741</b>     | <b>1,780,886</b>        | <b>76,855</b>                 |
| Public works   | 323,751              | 433,872              | 624,213                 | (190,341)                     |
| Capital outlay   | -                    | -                    | 815,913                 | (815,913)                     |
| <b>Total expenditures</b>                                    | <b>21,653,233</b>    | <b>22,440,020</b>    | <b>22,780,227</b>       | <b>(340,207)</b>              |
| Excess (deficiency) of revenues over<br>(under) expenditures | (4,561,217)          | (5,348,004)          | (939,358)               | 4,739,060                     |
| <b>Other Financing Sources (Uses)</b>                        |                      |                      |                         |                               |
| Transfers in   | 4,391,321            | 4,391,321            | 4,024,006               | 367,315                       |
| Leases (as lessee)   | -                    | -                    | 254,046                 | -                             |
| Sale of capital assets                                       | -                    | -                    | 62,420                  | 62,420                        |
| <b>Total other financing sources and uses</b>                | <b>4,391,321</b>     | <b>4,391,321</b>     | <b>4,340,472</b>        | <b>429,735</b>                |
| Net change in fund balance                                   | (169,896)            | (956,683)            | 3,401,114               | 5,168,795                     |
| <b>Fund Balance, Beginning</b>                               | <b>11,525,028</b>    | <b>11,525,028</b>    | <b>11,525,028</b>       | <b>-</b>                      |
| <b>Fund Balance, Ending</b>                                  | <b>\$ 11,355,132</b> | <b>\$ 10,568,345</b> | <b>\$ 14,926,142</b>    | <b>\$ 5,168,795</b>           |

**City of Ennis, Texas**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2022**

|  | <b>Business-type Activities - Enterprise</b> |  |                                       | <b>Governmental</b>                             |
|--|--|--|---------------------------------------|---|
|  | <b>Utility</b>                               | <b>Nonmajor<br/>Enterprise<br/>Funds</b> | <b>Total<br/>Enterprise<br/>Funds</b> | <b>Activities<br/>Internal<br/>Service Fund</b> |
| <b>Assets</b>  |  |  |                                       |   |
| <b>Current Assets</b>  |  |  |                                       |   |
| Cash and cash equivalents  | \$ 5,353,562                                 | \$ 442,486                               | \$ 5,796,048                          | \$ 3,592,167                                    |
| Restricted cash and cash equivalents - bond construction   | 19,213,464                                   | -  | 19,213,464                            | -   |
| Receivables (net of allowance for uncollectibles)  | 1,280,331                                    | 202,568                                  | 1,482,899                             | -   |
| Lease receivable   | -  | 53,901                                   | 53,901                                | -   |
| Due from other funds   | -  | -  | -                                     | 17,211  |
| Inventories  | 133,856                                      | 28,295                                   | 162,151                               | -   |
| Total current assets   | <u>25,981,213</u>                            | <u>727,250</u>                           | <u>26,708,463</u>                     | <u>3,609,378</u>                                |
| <b>Noncurrent Assets</b>   |  |  |                                       |   |
| Capital and lease assets (net of accumulated depreciation/amortization)  | 50,096,932                                   | 2,280,595                                | 52,377,527                            | -   |
| Total noncurrent assets  | <u>50,096,932</u>                            | <u>2,280,595</u>                         | <u>52,377,527</u>                     | <u>-</u>  |
| Total assets   | <u>76,078,145</u>                            | <u>3,007,845</u>                         | <u>79,085,990</u>                     | <u>3,609,378</u>                                |
| <b>Deferred Outflows of Resources</b>  |  |  |                                       |   |
| Deferred outflows of resources related to pension  | 482,782                                      | 159,194                                  | 641,976                               | -   |
| Deferred outflows of resources related to OPEB   | 53,005                                       | 17,324                                   | 70,329                                | -   |
| Total deferred outflows of resources   | <u>535,787</u>                               | <u>176,518</u>                           | <u>712,305</u>                        | <u>-</u>  |
| <b>Liabilities</b>   |  |  |                                       |   |
| <b>Current Liabilities</b>   |  |  |                                       |   |
| Accounts payable   | 353,506                                      | 45,937                                   | 399,443                               | -   |
| Accrued payroll payable  | 139,559                                      | 31,951                                   | 171,510                               | -   |
| Claims payable   | -  | -  | -                                     | 661,111   |
| Due to other funds   | -  | 182,574                                  | 182,574                               | 28,603  |
| Unearned revenue   | 2,276,597                                    | -  | 2,276,597                             | -   |
| Customer deposits payable  | 670,210                                      | -  | 670,210                               | -   |
| Bonds payable  | 1,375,000                                    | -  | 1,375,000                             | -   |
| Lease payable  | 12,471                                       | -  | 12,471                                | -   |
| Accrued interest payable   | 167,224                                      | -  | 167,224                               | -   |
| Total current liabilities  | <u>4,994,567</u>                             | <u>260,462</u>                           | <u>5,255,029</u>                      | <u>689,714</u>                                  |
| <b>Noncurrent Liabilities</b>  |  |  |                                       |   |
| Bonds payable  | 29,365,203                                   | -  | 29,365,203                            | -   |
| Lease payable  | 124,189                                      | -  | 124,189                               | -   |
| Net pension liability  | 425,855                                      | 141,335                                  | 567,190                               | -   |
| Total OPEB liability   | 128,759                                      | 42,920                                   | 171,679                               | -   |
| Total noncurrent liabilities   | <u>30,044,006</u>                            | <u>184,255</u>                           | <u>30,228,261</u>                     | <u>-</u>  |
| Total liabilities  | <u>35,038,573</u>                            | <u>444,717</u>                           | <u>35,483,290</u>                     | <u>689,714</u>                                  |
| <b>Deferred Inflows of Resources</b>   |  |  |                                       |   |
| Deferred inflows of resources related to pension   | 768,219                                      | 257,210                                  | 1,025,429                             | -   |
| Deferred inflows of resources related to OPEB  | 39,716                                       | 13,238                                   | 52,954                                | -   |
| Deferred inflows of resources related to leases  | -  | 53,300                                   | 53,300                                | -   |
| Total deferred inflows of resources  | <u>807,935</u>                               | <u>323,748</u>                           | <u>1,131,683</u>                      | <u>-</u>  |
| <b>Net Position (Deficit)</b>  |  |  |                                       |   |
| Net investment in capital assets   | 38,433,533                                   | 2,280,595                                | 40,714,128                            | -   |
| Unrestricted   | 2,333,891                                    | 135,303                                  | 2,469,194                             | 2,919,664                                       |
| Total net position (deficit)   | <u>\$ 40,767,424</u>                         | <u>\$ 2,415,898</u>                      | <u>43,183,322</u>                     | <u>\$ 2,919,664</u>                             |
| Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time |  |  | <u>583,933</u>                        |   |
| Net position of business-type activities   |  |  | <u>\$ 43,767,255</u>                  |   |

**City of Ennis, Texas**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2022**

|  | <u>Business-type Activities – Enterprise</u> |  |                                       | <u>Governmental</u>                             |
|--|--|--|---------------------------------------|---|
|  | <u>Utility</u>                               | <u>Nonmajor<br/>Enterprise<br/>Funds</u> | <u>Total<br/>Enterprise<br/>Funds</u> | <u>Activities<br/>Internal<br/>Service Fund</u> |
| <b>Operating Revenues</b>  |  |  |                                       |   |
| Water revenue  | \$ 7,163,529                                 | \$ -                                     | \$ 7,163,529                          | \$ -  |
| Sewer revenue  | 4,659,287                                    | -  | 4,659,287                             | -   |
| Sanitation revenue   | -  | 1,696,214                                | 1,696,214                             | -   |
| Airport revenue  | -  | 205,447                                  | 205,447                               | -   |
| Other revenue  | 117,320                                      | -  | 117,320                               | -   |
| Charges for insurance and services   | -  | -  | -                                     | 4,590,998                                       |
| Total operating revenues   | <u>11,940,136</u>                            | <u>1,901,661</u>                         | <u>13,841,797</u>                     | <u>4,590,998</u>                                |
| <b>Operating Expenses</b>  |  |  |                                       |   |
| Personnel  | 2,736,928                                    | 662,819                                  | 3,399,747                             | -   |
| Supplies   | 1,597,905                                    | 285,381                                  | 1,883,286                             | -   |
| Maintenance and replacement  | 1,207,196                                    | 89,824                                   | 1,297,020                             | -   |
| Miscellaneous services   | 1,547,299                                    | 195,287                                  | 1,742,586                             | -   |
| Insurance claims and expenses  | -  | -  | -                                     | 4,405,804                                       |
| Depreciation and amortization  | 3,395,542                                    | 333,295                                  | 3,728,837                             | -   |
| Total operating expenses   | <u>10,484,870</u>                            | <u>1,566,606</u>                         | <u>12,051,476</u>                     | <u>4,405,804</u>                                |
| Operating income   | <u>1,455,266</u>                             | <u>335,055</u>                           | <u>1,790,321</u>                      | <u>185,194</u>                                  |
| <b>Nonoperating Revenue (Expenses)</b>   |  |  |                                       |   |
| Investment earnings  | 89,876                                       | -  | 89,876                                | -   |
| Gain on disposal of property   | 89,787                                       | 23,625                                   | 113,412                               | -   |
| Interest expense   | (532,737)                                    | -  | (532,737)                             | -   |
| Interest income  | -  | 1,635                                    | 1,635                                 | -   |
| Intergovernmental revenue  | 2,772,566                                    | 53,989                                   | 2,826,555                             | -   |
| Bond issuance costs  | (183,178)                                    | -  | (183,178)                             | -   |
| Total nonoperating revenue (expenses)  | <u>2,236,314</u>                             | <u>79,249</u>                            | <u>2,315,563</u>                      | <u>-</u>  |
| Income before contributions and transfers  | 3,691,580                                    | 414,304                                  | 4,105,884                             | 185,194   |
| Capital contributions  | 2,052,038                                    | -  | 2,052,038                             | -   |
| Transfer in  | 1,246,124                                    | 125,304                                  | 1,371,428                             | -   |
| Transfer out   | (3,686,194)                                  | (193,018)                                | (3,879,212)                           | (311,000)                                       |
| Change in net position   | 3,303,548                                    | 346,590                                  | 3,650,138                             | (125,806)                                       |
| Net position – beginning   | <u>37,463,876</u>                            | <u>2,069,308</u>                         | <u>39,533,184</u>                     | <u>3,045,470</u>                                |
| Net position – ending  | <u>\$ 40,767,424</u>                         | <u>\$ 2,415,898</u>                      | <u>43,183,322</u>                     | <u>\$ 2,919,664</u>                             |
| Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time |  |  | <u>(25,161)</u>                       |   |
| Change in net position of business-type activities   |  |  | <u>\$ 3,624,977</u>                   |   |

**City of Ennis, Texas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended September 30, 2022**

|   | <b>Business-type Activities – Enterprise</b> |  |                                       | <b>Governmental</b>                             |
|---|--|--|---------------------------------------|---|
|   | <b>Utility</b>                               | <b>Nonmajor<br/>Enterprise<br/>Funds</b> | <b>Total<br/>Enterprise<br/>Funds</b> | <b>Activities<br/>Internal<br/>Service Fund</b> |
| <b>Cash Flows From Operating Activities</b>   |  |  |                                       |   |
| Receipts from customers   | \$ 11,804,074                                | \$ 1,882,639                             | \$ 13,686,713                         | \$ -  |
| Receipts from interfund charges for self-insurance  | -  | -  | -                                     | 4,590,998                                       |
| Payments to suppliers and service providers   | (4,399,716)                                  | (576,122)                                | (4,975,838)                           | (4,350,686)                                     |
| Payments to employees for salaries and benefits   | (3,265,887)                                  | (770,090)                                | (4,035,977)                           | -   |
| Net cash provided by operating activities   | 4,138,471                                    | 536,427                                  | 4,674,898                             | 240,312   |
| <b>Cash Flows From Noncapital Financing Activities</b>                                      |  |  |                                       |   |
| Operating grants  | -  | 53,989                                   | 53,989                                | -   |
| Transfers from other funds  | -  | (67,714)                                 | (67,714)                              | (311,000)                                       |
| Transfers to other funds  | (2,440,070)                                  | (38,913)                                 | (2,478,983)                           | 28,603  |
| Net cash used for noncapital financing activities   | (2,440,070)                                  | (52,638)                                 | (2,492,708)                           | (282,397)                                       |
| <b>Cash Flows From Capital And Related Financing Activities</b>                             |  |  |                                       |   |
| Capital contributions   | -  | -  | -                                     | -   |
| Capital grants  | 2,772,566                                    | -  | 2,772,566                             | -   |
| Acquisition and construction of capital assets  | (3,923,414)                                  | (125,304)                                | (4,048,718)                           | -   |
| Proceeds from disposal of capital assets  | 89,787                                       | 23,625                                   | 113,412                               | -   |
| Proceeds from sale of bonds   | 15,161,362                                   | -  | 15,161,362                            | -   |
| Bond issuance costs   | (183,178)                                    | -  | (183,178)                             | -   |
| Principal paid on bond maturities   | (1,790,000)                                  | -  | (1,790,000)                           | -   |
| Interest income   | -  | 1,635                                    | 1,635                                 | -   |
| Interest and fiscal charges paid on bonds   | (485,904)                                    | -  | (485,904)                             | -   |
| Net cash provided by (used for) capital and related financing activities                    | 11,641,219                                   | (100,044)                                | 11,541,175                            | -   |
| <b>Cash Flows From Investing Activities</b>   |  |  |                                       |   |
| Interest on investments   | 89,876                                       | -  | 169,245                               | -   |
| Net cash provided by investing activities   | 89,876                                       | -  | 169,245                               | -   |
| Net increase (decrease) in cash and cash equivalents  | 13,429,496                                   | 383,745                                  | 13,892,610                            | (42,085)  |
| Cash and cash equivalents, October 1 (includes \$5,825,571 reported in restricted cash)     | 11,137,530                                   | 58,741                                   | 11,196,271                            | 3,634,252                                       |
| Cash and cash equivalents, September 30 (includes \$19,213,464 reported in restricted cash) | \$ 24,567,026                                | \$ 442,486                               | \$ 25,088,881                         | \$ 3,592,167                                    |
| <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>      |  |  |                                       |   |
| Operating income  | \$ 1,455,266                                 | \$ 335,055                               | \$ 1,790,321                          | \$ 185,194                                      |
| Adjustments to reconcile operating income to net cash provided by operating activities:     |  |  |                                       |   |
| Depreciation and amortization   | 3,395,542                                    | 333,295                                  | 3,728,837                             | -   |
| (Increase) decrease in accounts receivable  | (136,062)                                    | (19,022)                                 | (155,084)                             | -   |
| (Increase) decrease in inventory  | 12,821                                       | -  | 12,821                                | -   |
| (Increase) decrease in pension related deferred outflows of resources                       | (236,222)                                    | (78,740)                                 | (314,962)                             | -   |
| (Increase) decrease in OPEB related deferred outflows of resources                          | 7,706  | 2,568                                    | 10,274                                | -   |
| Increase (decrease) in accounts payable   | (102,567)                                    | (5,630)                                  | (108,197)                             | -   |
| Increase (decrease) in accrued payroll payable  | (10,442)                                     | (15,662)                                 | (26,104)                              | -   |
| Increase (decrease) in claims payable   | -  | -  | -                                     | 55,118  |
| Increase (decrease) in unearned revenue   | (245,492)                                    | -  | (245,492)                             | -   |
| Increase (decrease) in customer deposits  | 42,430                                       | -  | 42,430                                | -   |
| Increase (decrease) in pension related deferred inflows of resources                        | 413,553                                      | 137,251                                  | 550,804                               | -   |
| Increase (decrease) in OPEB related deferred inflows of resources                           | (6,443)                                      | (2,148)                                  | (8,591)                               | -   |
| Increase (decrease) in net pension liability  | (458,057)                                    | (152,686)                                | (610,743)                             | -   |
| Increase (decrease) in OPEB liability   | 6,438  | 2,146                                    | 8,584                                 | -   |
| Total adjustments   | 2,683,205                                    | 201,372                                  | 2,884,577                             | 55,118  |
| Net cash provided by operating activities   | \$ 4,138,471                                 | \$ 536,427                               | \$ 4,674,898                          | \$ 240,312                                      |
| <b>Schedule of Non-cash Transactions</b>  |  |  |                                       |   |
| Contributions of capital assets   | \$ 2,052,038                                 | \$ -                                     | \$ -                                  | \$ -  |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

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

***Description of Government-wide Financial Statements***

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

***Reporting Entity***

The City of Ennis, Texas (City) was incorporated May 2, 1872, and operates under a Commission-Manager form of government. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and: (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units.

***Discretely Presented Component Unit.*** The Corporation described is included in the City's reporting entity because the City appoints the governing body, and the Corporation is fiscally dependent on the City. The Corporation is reported as discretely presented component unit since the governing body is not substantively the same as the governing body of the City, and they provide service to the citizens of Ennis and the surrounding area as opposed to only the primary government. To emphasize that they are legally separate from the City, they are reported in separate columns in the financial statements.

The *Ennis Economic Development Corporation, Inc.* (Corporation) is responsible for collecting and disbursing the one-half percent sales tax to be used for economic development within the City. The members of the Corporation's board are appointed by the City. The City can impose its will on the Corporation by significantly influencing the program, projects, activities, or level of service performed by the Corporation. The Corporation is presented as a governmental fund type and has a September 30 year-end.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

Separately issued financial reports are available for the Corporation. This report may be obtained by contacting the following office.

City of Ennis  
107 North Sherman Street  
Ennis, Texas 75120

***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 and internal service fund, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the City has a discretely presented component unit. The Economic Development Corporation is considered to be a major component unit and is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer and sanitation 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.

**Fund Financial Statements**

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

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *QIPP fund* is used to account for revenues and expenditures generated from the City's participation in the Quality Incentive Payment Program for nursing homes.

The *general capital projects fund* is used to account for improvements to streets and building construction from issuance of certificates of obligation.



**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

The *Certificates of Obligation Series 2019 fund* is used to account for building construction from issuance of certificates of obligation. This fund is designated as a major fund.

The *debt service fund* is used to account for the accumulation of resources that are restricted for the payment of principal and interest on long-term obligations of governmental funds. This fund is designated as a major fund.

The City reports the following major enterprise fund:

The *utility fund* accounts for the activities of the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

Additionally, the City reports the following fund type:

*Internal service funds* account for self-insurance services provided to other departments of the City on a cost-reimbursement basis.

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. 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 and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activity's 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.

***Measurement Focus and Basis of Accounting***

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

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

The government-wide 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 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 capital leases are reported as other financing sources.

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

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

***Budgetary Information***

**Budgetary Basis of Accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and debt service fund. The annual budgets for the utility and nonmajor enterprise funds are prepared on the budgetary basis of accounting. Appropriations in all budgeted funds lapse at the end of the fiscal year. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

***Excess of Expenditures Over Appropriations***

For the year ended September 30, 2022, the General Fund's expenditures exceeded appropriations by \$340,207. The excess expenditures in City Secretary, Administration, Economic Development, and Information Technology departments are due to additional personnel costs and related equipment. Police department expenditures exceeded appropriations by \$13,204 due to overtime costs exceeding the budget. Equipment services expenditures exceeded the budget by \$7,241 due to unfavorable cost increases exceeding the forecasted amount in maintenance and supplies. The Public Works department exceeded appropriation by \$190,341 from a significant increase in insurance costs; the overage is primarily offset in Nondepartmental for excess appropriations related to insurance. Capital Outlay was appropriated at the departments. This expense is offset by excess appropriations in Parks, Streets, and Nondepartmental and unbudgeted donations and grants recorded under Miscellaneous revenue.

***Cash and Cash Equivalents***

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

***External Investment Pools***

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in TexPool. In accordance with state law, TexPool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the *Investment Company Act of 1940*, as amended. Accordingly, TexPool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. TexPool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

The State Comptroller of Public Accounts oversees TexPool. Federated Investors is the full service provider to the pool managing the assets, providing participant services, and arranging for all custody and other functions in support of the pool operations under a contract with the Comptroller.

TexPool is managed conservatively to provide a safe, efficient, and liquid investment alternative to Texas governments. The pool seeks to maintain a \$1.00 value per share as required by the *Texas Public Funds Investment Act*. TexPool investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. TexPool is rated AAAM by Standard & Poor's, the highest rating a local government investment pool can achieve. The weighted average maturities of the pool cannot exceed 60 days, with the maximum maturity of any investment limited to 13 months. TexPool, like its participants, is governed by the *Texas Public Funds Investment Act*, and is in full compliance with the Act.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

***Restricted Assets***

Certain proceeds of the City's enterprise fund general obligation bonds are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue bond construction" account is used to report those proceeds of revenue bond issuances that are restricted for use in construction.

***Inventories and Prepaid Items***

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

***Lease Receivable***

The City is a lessor for noncancellable leases related to cellular towers and parking lot space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

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

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

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

**Capital and Lease Assets**

Capital and lease assets, which include property, plant, equipment, vehicles, 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. Capital and lease assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

As the government constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, vehicles, and infrastructure of the primary government are depreciated/amortization using the straight-line method over the following estimated useful lives:

| <u>Capital and Lease Asset Classes</u> | <u>Lives</u> |
|--|--------------|
| Buildings                              | 7-50         |
| Improvements                           | 7-50         |
| Machinery and equipment                | 5-30         |
| Vehicles                               | 5-7          |
| Infrastructure                         | 10-50        |
| Water rights                           | 30           |

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources reported in this year's financial statements include: (1) the differences between the projected and actual investment earnings; (2) contributions made to the City's defined benefit pension plan and OPEB plan between the measurement date and the end of the City's fiscal year; (3) the difference between expected and actual experience data used by the actuary for the pension and OPEB plans; and (4) 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.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources reported in the City's various statements of net position include: (1) changes in actuarial assumptions of the City's defined benefit pension and OPEB plans; (2) the difference between expected and actual experience data used by the actuary for the pension plan; and (3) the initial value of the lease receivable under GASB 87 systematically reduced and recognized as lease revenue over the term of the lease. In its governmental funds, the City reports deferred inflow of resources for revenues that are not considered available and leases. The City will not recognize the related revenues until they are available (collected no later than 60 days after the end of the City's fiscal year) under the modified accrual basis of accounting. Accordingly, *unavailable revenues* from property taxes, court, and intergovernmental revenues are reported in the governmental funds balance sheet.

***Unearned Revenue***

Enterprise funds report a liability, unearned revenue, in connection with resources that have been received, but not yet earned.

***Long-term Obligations***

In the government-wide financial statements and proprietary fund type 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 statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

***Lease Liability***

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

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

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

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

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

Lease assets are reported with capital and leased assets and lease liabilities are reported with long-term liabilities on the statement of net position.

***Pensions and Other Post-Employment Benefits (OPEB)***

For purposes of measuring the net pension asset/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.

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GASB 75 requires recognition of the Total OPEB Liability (TOL), deferred (inflows)/outflows of resources, and total OPEB expense on the face of the employer's financial statements. The TOL is calculated by the TMRS' actuary in accordance with the provisions of GASB 75. The OPEB expense and deferred (inflows)/outflows of resources related to OPEB, which are required to be reported by an employer, primarily result from changes in the components of the TOL. Most changes in the TOL will be included in OPEB expense in the period of the change. For example, changes in the TOL resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in OPEB expense immediately. Changes in the TOL that have not been included in OPEB expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to OPEB.

***Net Position Flow Assumption***

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements. Net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

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.

***Fund Balance Flow Assumption***

The governmental fund financial statements present fund balance categorized based on the nature and extent of the constraints placed on the specific purposes for which a government's funds may be spent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance — amounts that are not in spendable form (such as inventories and prepaid items) or are required to be maintained intact.

Restricted Fund Balance — amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.



**City of Ennis, Texas**  
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Committed Fund Balance — amounts that can be used only for specific purposes determined by a formal action of the City Commission. The City Commission is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through a formal resolution of the City Commission.

Assigned Fund Balance — amounts the City intends to use for a specific purpose. Intent can be expressed by the City Commissioners or by an official or body to which the City Commissioners delegates the authority.

Unassigned Fund Balance — amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned. Positive balances are reported only in the general fund.

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.

***Library Endowment***

Under terms of the endowment, and consistent with State statutes, the City is authorized on a total-return policy to spend the net appreciation for the benefit of the Ennis Public Library. All available net appreciation has been expended as of September 30, 2022.

***Deficit Fund Equity***

As of September 30, 2022, the Court Technology fund, a nonmajor governmental fund, has a deficit fund balance of \$15,279.

***Revenues and Expenditures/Expenses***

***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.

**City of Ennis, Texas**  
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**Property Taxes**

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property. Appraised values are established by the Ellis Appraisal District as market value and assessed at 100 percent of appraised value. Property taxes attach as an enforceable lien on property as of January 1. The Ellis County Tax Assessor/Collector bills and collects the City's property taxes, which are due October 1. Full payment can be made prior to the next January 31 to avoid penalty and interest charges. Over time substantially all property taxes are collected.

***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 utility, nonmajor enterprise, and internal service funds are charges to customers for sales and services. The utility 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 funds and internal service fund includes the cost of sales and services, administrative expenses, and depreciation/amortization on capital and leased assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***Self-Insurance***

The City is self-insured for medical and prescription drug claims. The Internal Service Fund is used to account for the activity of this program. It is the City's policy to provide in each fiscal year, through premiums charged to all operating funds, amounts sufficient for self-insurance program expenses and reserves associated with claims, that are determined based on loss experience. The amount recorded as liability for known claims and for incurred but not reported claims (IBNRs), if any, is based on the recommendations of a third-party claim's administrator.

***Adoption of New Accounting Standard***

GASB Statement No. 87, *Leases*, establishes new guidance for lease accounting for lessees and lessors and eliminates the classification of leases as either operating or capital leases. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Lessees will recognize a lease liability and an intangible right-to-use lease asset, when applicable. Lessors will recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City has implemented this Statement in fiscal year 2022.

**City of Ennis, Texas**  
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**Note 2: Detailed Notes on All Activities and Funds**

***Cash Deposits with Financial Institutions***

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. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The City's deposits were fully insured or collateralized as required by State statutes at September 30, 2022. At year-end, the bank balance of the primary government’s deposits was \$88,419,436 (with a carrying value of \$88,077,544. Of the bank balance, \$500,000 was covered by federal depository insurance and the remaining balance, \$87,577,544 was covered by collateral pledged in the City's name. The collateral was held in the City's name by the safekeeping department of the pledging bank's agent and had a fair value of approximately \$91,134,414.

***Investments***

State statutes authorize the City to invest in certificates of deposit, obligations of the U.S. Treasury and the State Treasurer's Investment Pool.

The State Treasurer's Investment Pool (TexPool) operates in accordance with state law, which requires it to meet all of the requirements of Rule 2a-7 of the Securities and Exchange Commission. See *Note 1* for a discussion of how the shares in the Pool are valued. TexPool invests in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state.

The table below identifies the investment types that are authorized for the City by the *Public Funds Investment Act* (Government Code Chapter 2256), the “Act”. The table also identifies certain provisions of the City’s investment policy that address credit risk and concentration of credit risk. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

| <b>Investment Type</b> | <b>Fair Value</b> |
|------------------------|-------------------|
| TexPool                | \$ 322,534        |

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of September 30, 2022, the City’s investment in TexPool was rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

**City of Ennis, Texas**  
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*Concentration of Credit Risk.* The City’s investment policy contains no limitations on the amount that can be invested in any one issuer.

TexPool is considered a cash equivalent on the Government-wide Statement of Net Position and on the Balance Sheets of the Fund Financial Statements.

**Receivables**

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund, debt service, nonmajor governmental, utility, and nonmajor enterprise funds, including the applicable allowances for uncollectible accounts:

| <b>Receivables</b>                 | <b>General</b>      | <b>Debt<br/>Service</b> | <b>Nonmajor<br/>Governmental</b> | <b>Utility</b>      | <b>Nonmajor<br/>Enterprise</b> | <b>Total</b>        |
|------------------------------------|---------------------|-------------------------|----------------------------------|---------------------|--------------------------------|---------------------|
| Taxes                              | \$ 2,134,085        | \$ 133,827              | \$ 583,646                       | \$ -                | \$ -                           | \$ 2,851,558        |
| Accounts                           | 9,048               | -                       | 98,078                           | 1,414,500           | 253,202                        | 1,774,828           |
| Other                              | 433,071             | -                       | -                                | -                   | -                              | 433,071             |
| Gross receivables                  | 2,576,204           | 133,827                 | 681,724                          | 1,414,500           | 253,202                        | 5,059,457           |
| Less: allowance for uncollectibles | (91,887)            | (60,518)                | (4,741)                          | (134,169)           | (50,634)                       | (341,949)           |
| Net total receivables              | <u>\$ 2,484,317</u> | <u>\$ 73,309</u>        | <u>\$ 676,983</u>                | <u>\$ 1,280,331</u> | <u>\$ 202,568</u>              | <u>\$ 4,717,508</u> |

**Lease Receivable**

The City leases a portion of its property to various cell phone companies and businesses who use the space to conduct their operations, the terms of which expire 2025 through 2032. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

The City recognized \$63,028 in lease revenue and \$28,623 in interest revenue during the current fiscal year related to these leases. As of September 30, 2022, the City’s receivable for lease payments was \$362,850. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of September 30, 2022, the balance of the deferred inflow of resources was \$350,525.

**City of Ennis, Texas**  
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The following is a schedule by year of minimum payments to be received under the City's leases that are included in the measurement of the lease receivable as of September 30, 2022:

| <b>Governmental Activities</b>   |                  |                 |                       |
|----------------------------------|------------------|-----------------|-----------------------|
| <b>Year Ending September 30,</b> | <b>Principal</b> | <b>Interest</b> | <b>Total Receipts</b> |
| 2023                             | 34,661           | 25,865          | 60,526                |
| 2024                             | 41,691           | 24,584          | 66,275                |
| 2025                             | 43,306           | 22,696          | 66,002                |
| 2026                             | 45,197           | 21,078          | 66,275                |
| 2027                             | 47,453           | 18,822          | 66,275                |
| 2028-2032                        | 96,641           | 43,641          | 140,282               |
| Totals                           | \$ 308,949       | \$ 156,686      | \$ 465,635            |

| <b>Business-Type Activities</b>  |                  |                 |                       |
|----------------------------------|------------------|-----------------|-----------------------|
| <b>Year Ending September 30,</b> | <b>Principal</b> | <b>Interest</b> | <b>Total Receipts</b> |
| 2023                             | 17,560           | 1,240           | 18,800                |
| 2024                             | 17,964           | 836             | 18,800                |
| 2025                             | 18,377           | 423             | 18,800                |
| Totals                           | \$ 53,901        | \$ 2,499        | \$ 56,400             |

**Regulated Leases**

In accordance with GASB No. 87, the City does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, between airports and aeronautical users. Regulated leases include hangars used for aeronautical purposes. The revenue recognized for these leases during the year ended September 30, 2022, was \$268.

**City of Ennis, Texas**  
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| Year Ending September 30, | Amount   |
|---------------------------|----------|
| 2023                      | \$ 556   |
| 2024                      | 345      |
| 2025                      | 65       |
| 2026                      | 65       |
| 2027                      | 66       |
| 2028-2032                 | 337      |
| 2033-2037                 | 433      |
| 2038-2042                 | 1,305    |
| 2043-2047                 | 1,483    |
| 2048-2051                 | 3,457    |
| Totals                    | \$ 8,112 |

**Capital and Lease Assets**

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

|   | Beginning<br>Balance* | Increases    | Decreases   | Transfers   | Ending<br>Balance |
|---|-----------------------|--------------|-------------|-------------|-------------------|
| <b>Governmental Activities</b>                              |                       |              |             |             |                   |
| Capital assets not being depreciated:                       |                       |              |             |             |                   |
| Land  | \$ 6,418,075          | \$ 6,673     | \$ -        | \$ -        | \$ 6,424,748      |
| Construction in progress                                    | 4,323,635             | 5,536,232    | -           | (5,166,177) | 4,693,690         |
| Total capital assets not being depreciated                  | 10,741,710            | 5,542,905    | -           | (5,166,177) | 11,118,438        |
| Capital and lease assets being depreciated/amortized:       |                       |              |             |             |                   |
| Buildings   | 48,305,899            | 65,538       | -           | -           | 48,371,437        |
| Lease buildings   | 36,514                | -            | -           | -           | 36,514            |
| Improvements  | 4,851,105             | 291,556      | -           | 5,166,177   | 10,308,838        |
| Machinery and equipment                                     | 17,168,339            | 600,867      | (627,643)   | -           | 17,141,563        |
| Infrastructure  | 64,773,094            | 3,521,755    | -           | -           | 68,294,849        |
| Lease vehicles  | -                     | 254,046      | -           | -           | 254,046           |
| Totals capital and lease assets being depreciated/amortized | 135,134,951           | 4,733,762    | (627,643)   | 5,166,177   | 144,407,247       |
| Less accumulated depreciation/amortization for:             |                       |              |             |             |                   |
| Buildings   | (13,323,707)          | (1,282,341)  | -           | -           | (14,606,048)      |
| Lease buildings   | -                     | (8,967)      | -           | -           | (8,967)           |
| Improvements  | (2,497,645)           | (782,038)    | -           | -           | (3,279,683)       |
| Machinery and equipment                                     | (12,819,011)          | (1,489,022)  | 532,716     | -           | (13,775,317)      |
| Infrastructure  | (25,645,530)          | (1,664,686)  | -           | -           | (27,310,216)      |
| Lease vehicles  | -                     | (63,511)     | -           | -           | (63,511)          |
| Total accumulated depreciation/amortization                 | (54,285,893)          | (5,290,565)  | 532,716     | -           | (59,043,742)      |
| Total capital and lease assets, being depreciated, net      | 80,812,544            | (556,803)    | (94,927)    | 5,166,177   | 85,363,505        |
| Governmental activities capital and lease assets, net       | \$ 91,554,254         | \$ 4,986,102 | \$ (94,927) | \$ -        | \$ 96,481,943     |

\* Fiscal year 2021 amounts have been restated for GASB 87

**City of Ennis, Texas**  
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Depreciation/amortization expense was charged to the functions/programs of the governmental activities of the primary government as follows:

**Governmental Activities**

|                           |               |
|---------------------------|---------------|
| General government        | \$ 223,889    |
| Public safety             | 1,225,200     |
| Streets                   | 2,371,596     |
| Health                    | 5,984         |
| Equipment services        | 11,593        |
| Cultural and recreational | 308,055       |
| Hospital                  | 1,122,823     |
| Public works              | 21,425        |
|                           | <u>21,425</u> |

Total depreciation/amortization expense \$ 5,290,565

|   | Beginning<br>Balance | Increases           | Decreases          | Transfers          | Ending<br>Balance    |
|---|----------------------|---------------------|--------------------|--------------------|----------------------|
| <b>Business-type Activities</b>                               |                      |                     |                    |                    |                      |
| Capital assets not being depreciated:                         |                      |                     |                    |                    |                      |
| Land  | \$ 1,088,290         | \$ -                | \$ -               | \$ -               | \$ 1,088,290         |
| Construction in progress                                      | 1,955,646            | 3,719,361           | -                  | (1,274,124)        | 4,400,883            |
| Total capital assets not being depreciated                    | <u>3,043,936</u>     | <u>3,719,361</u>    | <u>-</u>           | <u>(1,274,124)</u> | <u>5,489,173</u>     |
| Capital and lease assets being depreciated/amortized:         |                      |                     |                    |                    |                      |
| Buildings   | 9,471,488            | -                   | -                  | -                  | 9,471,488            |
| Improvements  | 76,448,041           | 2,050,836           | -                  | 1,274,124          | 79,773,001           |
| Machinery and equipment                                       | 3,815,311            | 338,635             | (355,292)          | -                  | 3,798,654            |
| Lease vehicles  | -                    | 139,478             | -                  | -                  | 139,478              |
| Water rights  | 1,001,831            | -                   | -                  | -                  | 1,001,831            |
| Total capital and lease assets being depreciated/amortization | <u>90,736,671</u>    | <u>2,528,949</u>    | <u>(355,292)</u>   | <u>1,274,124</u>   | <u>94,184,452</u>    |
| Less accumulated depreciation/amortization for:               |                      |                     |                    |                    |                      |
| Buildings   | (6,494,184)          | (181,372)           | -                  | -                  | (6,675,556)          |
| Improvements  | (34,205,594)         | (3,011,330)         | -                  | -                  | (37,216,924)         |
| Machinery and equipment                                       | (2,543,997)          | (467,872)           | 344,397            | -                  | (2,667,472)          |
| Lease vehicles  | -                    | (34,869)            | -                  | -                  | (34,869)             |
| Water rights  | (667,883)            | (33,394)            | -                  | -                  | (701,277)            |
| Total accumulated depreciation/amortization                   | <u>(43,911,658)</u>  | <u>(3,728,837)</u>  | <u>344,397</u>     | <u>-</u>           | <u>(47,296,098)</u>  |
| Total capital and lease assets being depreciated, net         | <u>46,825,013</u>    | <u>(1,199,888)</u>  | <u>(10,895)</u>    | <u>1,274,124</u>   | <u>46,888,354</u>    |
| Business-type capital and lease assets, net                   | <u>\$ 49,868,949</u> | <u>\$ 2,519,473</u> | <u>\$ (10,895)</u> | <u>\$ -</u>        | <u>\$ 52,377,527</u> |

Depreciation/amortization expense was charged to the functions/programs of the business-type activities of the primary government as follows:

**Business-type Activities**

|            |              |
|------------|--------------|
| Utility    | \$ 3,395,542 |
| Sanitation | 331,202      |
| Airport    | 2,093        |
|            | <u>2,093</u> |

Total depreciation/amortization expense \$ 3,728,837

**City of Ennis, Texas**  
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**Construction Commitments**

*Construction Commitments.* The City has active construction projects as of September 30, 2022. The projects include buildings, park improvements, street improvements, infrastructure and water, and sewer improvements. At year-end the City’s commitments with contractors are as follows:

| <u>Project</u>               | <u>Spent-to-Date</u> | <u>Commitment</u>    |
|------------------------------|----------------------|----------------------|
| Park improvements            | \$ 2,001,705         | \$ 2,949,926         |
| Street improvements          | 5,274,055            | 5,209,743            |
| Infrastructure               | 2,998,880            | 3,348,010            |
| Water and sewer improvements | <u>4,565,149</u>     | <u>4,703,332</u>     |
|                              | <u>\$ 14,839,789</u> | <u>\$ 16,211,011</u> |

The park improvements, street improvements, and infrastructure projects are commitments of the City's capital projects fund. The projects are being funded by grant proceeds and bond proceeds.

The water and sewer improvements projects are a commitment of the Utility fund. The projects are being funded by certificates of obligation and grant proceeds.

**Tax Abatements**

The City has four programs through which tax abatements are provided:

The City is authorized by the *Texas Tax Code Chapter 312 Property Redevelopment and Tax Abatement Act* (Tax Abatement Act) to enter into property tax abatement agreements as an economic development tool available to cities to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions. Tax abatements, which can range from sixty percent to one-hundred percent of property tax on the value of the property improvement with a duration of three to ten years, may be established upon property which is industrial or commercial zoned within the City or the extra-territorial jurisdiction of the City. The threshold criteria used for the abatement include adding a minimum of ten full-time employees and an investment of at least \$1,000,000 in property improvements. The City recaptures any and all property tax revenue lost as a result of the agreement if the owner of the property fails to complete, make, and maintain the threshold criteria. The City Commission establishes the criteria and guidelines that govern all tax abatement agreements including the percentage amount and duration of the tax abatement, which is not to exceed ten years. The market value of the property is reduced by the exempted amount under the agreement to arrive at the taxable value used to bill the property owner.



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*Historic Landmark Tax Exemption Program.* This program is authorized by City Ordinance and is intended to promote historic preservation and revitalization activities in the National Register Historic Downtown District. Historic landmark structures are eligible for a historical appraised tax value exemption of twenty-five (25) percent of the appraised value of the property not to exceed twenty-five thousand dollars (\$25,000). To be eligible for the historical appraised tax value exemption; the owner of the landmark or structure must make application annually prior to the 1st day of February to the tax collector of the City. The market value of the property is reduced by the exempted amount under the agreement to arrive at the taxable value used to bill the property owner.

*Historic Reinvestment Tax Abatement Refund Program.* This program is authorized by City Ordinance and is intended to promote historic preservation and revitalization activities in the National Register Historic Downtown District. Eligible historic landmark structures shall be entitled to reinvestment tax abatement equal to the amount of investment completed within a calendar year. The maximum tax abatement for a project shall not exceed the annual tax liability of the real property. The investments eligible shall be investments made for structural repairs and improvements, electrical repairs and improvements, plumbing repairs and improvements, mechanical repairs and improvements, interior repairs and improvements, or exterior restoration. Taxes incurred for investment in personal property shall not be eligible for abatement. Each landowner who desires to apply for a historic reinvestment tax abatement shall apply for said abatement on or before May 1st of the year the tax abatement is to be granted. The abatement, if granted, shall be applicable to only one year. Subsequent abatements for additional projects must be applied for each year.

*Historic Preservation Tax Reimbursement Program.* This program is authorized by City Ordinance and is intended to promote historic preservation and revitalization activities in the National Register Historic Downtown District. Historic preservation (construction, reconstruction or restoration) projects within the national register historic downtown district with documented expenditure for construction, reconstruction, or restoration in an amount in excess of fifteen thousand dollars (\$15,000) shall be eligible for a seven (7) year, one hundred (100) percent city tax reimbursement. Following full payment of taxes to the City, the City shall annually pay an eligible property owner one hundred percent of all real property taxes assessed against the existing real property that are paid to the City.

| <b>Tax Abatement Program</b>                       | <b>Amount<br/>Abated</b> |
|--|--------------------------|
| Chapter 380 Tax Rebates                            | \$ 651,751               |
| Historic Reinvestment Tax Abatement Refund Program | 60,761                   |
| Historic Preservation Tax Reimbursement Program    | 15,702                   |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

The City has also entered into Economic Development Agreements to promote local economic development and to stimulate business and commercial activity in the City. These agreements include provisions for repayment if the recipient fails to fully meet its commitments. The City's agreements were as follows at September 30, 2022:

An agreement to make annual grants in an amount not to exceed the equivalent of 75 percent of the ad valorem real property taxes paid for a period of five consecutive years for Spyglass Gen Par, LC to develop real property and construct thereon improvements for a multi-family residential development. The incentive period began November 2016. The abatement amounted to \$135,839 for the fiscal year ended September 30, 2022.

An agreement to make annual grants in the amount of \$30,000 per year, not to exceed the total amount of ad valorem real and personal property taxes paid for two consecutive five year terms for Kent Industries, Inc., Polyguard Products, Inc., and Muncaster Capital of Texas, Inc. for construction and improvements made to the corporate headquarters and training facility. The incentive period began March 2017. The abatement amounted to \$30,000 for the fiscal year ended September 30, 2022.

An agreement to make annual grants in the amount of \$35,000 per year, not to exceed the total amount of ad valorem real and personal property taxes paid for a period of ten consecutive years for Globe Products, Inc., Milglo, LLC., Minimilglo, LTD., Extreme Dead Nuts, LLC. and DNM Holding, LLC., for construction of improvements for new and expanded business development. The incentive period began October 2017. The abatement amounted to \$35,000 for the fiscal year ended September 30, 2022.

An agreement to make grant payments in an amount not to exceed a total of \$300,000 paid, in annual payments not to exceed 50 percent of the ad valorem property taxes paid by DA Ennis 45 Partner, LP., to develop approximately 6.7 acres of land and the construction and operation of multiple retail developments. The incentive period will begin upon the first tax year following the year after issuance of a certificate of occupancy. The abatement amounted to \$21,796 for the fiscal year ended September 30, 2022.

An agreement to make grant payments in an amount not to exceed 50 percent of the ad valorem property taxes paid by Forum Meat Company for a period of three years for construction of improvements for new and expanded business development. The incentive period began October 2018. The abatement amounted to \$10,505 for the fiscal year ended September 30, 2022.

An agreement to make grant payments in an amount not to exceed 50 percent of the ad valorem property taxes paid by GAF, LP., Elk Verashield Building Solutions and Elk Roofing Products for a period of four years for construction of improvements for manufacturing and industrial development. The incentive period will begin upon the first tax year following the year after issuance of a certificate of occupancy. The abatement amounted to \$41,383 for the fiscal year ended September 30, 2022.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

An agreement to make annual grant payments in an amount not to exceed 50 percent of the ad valorem property taxes paid by Buc-ee's Ennis, LLC., for a period of 15 years for construction of retail developments. The incentive period will begin upon the first tax year following the year after development opens for business. The abatement amounted to \$30,363 for the fiscal year ended September 30, 2022.

An agreement to make annual grant payments equal to one percent of the sales that are subject to sales tax collection, minus fees deducted by the Texas Comptroller paid by Buc-ee's Ennis, LLC., for a period of 20 years. The incentive period will begin upon the first tax year following the year after development opens for business. The abatement amounted to \$282,271 for the fiscal year ended September 30, 2022.

***Other Significant Commitments***

The City has entered into a contract with Trinity River Authority of Texas whereby the City pays for operation and maintenance cost annually for the Bardwell Dam Reservoir. The Trinity River Authority (TRA) is a governmental agency, which is controlled by directors appointed by the governor. Actual payments for the year ended September 30, 2022, were \$588,722.

The City has entered into a contract with Trinity River Authority, subject to a Raw Water Supply Contract between Trinity River Authority and the Tarrant Regional Water District, whereby the City acquired the right to utilize .25 MGD of raw water from the Richland-Chambers and Cedar Creek Reservoir. Under the terms of the agreement the City is to make a payment if the City draws no water or a higher payment if the City draws water (Take or Pay Contract). Actual payments for the year ended September 30, 2022, were \$111,181.

Complete separate financial statements for the Trinity River Authority may be obtained at Trinity River Authority of Texas, 5300 South Collins, P.O. Box 60, Arlington, Texas 76004.

The City has entered into a contract with Union Pacific Railroad Company (Union Pacific) whereby the City agrees to reimburse Union Pacific in an amount not to exceed \$500,000 for preliminary engineering related to the proposed construction of underpasses under the Union Pacific's rail line. Actual payments for the year ended September 30, 2022, were \$2,581.

The City has entered into contracts with Schaumburg & Polk, Inc. for engineering services related to water, wastewater, and stormwater master planning in the amount of \$280,000 and for a raw water study in the amount of \$125,000. Actual payments for the year ended September 30, 2022, were \$35,360.

The City has entered into an agreement with Healthcare Quality Improvement Services, LLC (Consultant), as a consultant in relation to the QIPP. Under this agreement the Consultant provides certain financial, operations, and clinical review services for the City. The City pays a monthly base consulting fee in the amount of \$1,853 per facility. In addition to the base fee the City pays the Consultant \$600 per month of each quarter in the which the facility exceeds 90 percent of all QIPP component measures. Actual payments for the year ended September 30, 2022, were \$539,304.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

**Quality Improvement Payment Program**

The City participates in the Quality Improvement Payment Program (QIPP). The program is designed to assist nursing facilities servicing indigent patients by providing funding to support increased access to healthcare within the community. It is also designed to allow participating providers to receive additional reimbursement if they either reach a national benchmark level or they make quarterly improvements in up to four predetermined quality measures. At September 30, 2022, the City recorded \$4,222,426 of prepaid intergovernmental transfers for the period of October 2022 – February 2023, which was paid by the City prior to fiscal year end in July 2022. The City is required to contribute to the state for their share of QIPP funding. Accounts receivable under this program was \$6,975,477 at September 30, 2022. The program described above is subject to review and scrutiny by both the Texas Legislature and Center for Medicare & Medicaid Services, and the program could be modified or terminated based on new legislation or regulation in future periods.

**Risk Management**

The City self-insured for medical and prescription drug claims. The City uses an internal service fund to account for and finance both insured and uninsured risks of loss. At September 30, 2022, the internal service fund has a fund balance of \$2,919,664. Stop-loss insurance is purchased for claims in excess of \$100,000.

All operating funds of the City participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current claims. The estimated insurance claims payable is \$661,111 at September 30, 2022. The liability also includes incurred but not reported claims (IBNR) developed by the third-party claims administrator. Changes in the balance of estimated insurance claims payable for the year ended September 30, 2022, are:

|  |           |                    |
|--|-----------|--------------------|
| Claims liability at beginning of year    | \$        | 605,993            |
| Current year claims and estimate changes |           | 1,259,818          |
| Claims payments                          |           | <u>(1,204,700)</u> |
| Claims liability at end of year          | <u>\$</u> | <u>661,111</u>     |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

***Long-term Liabilities***

**Certificates of Obligation**

The City issues certificates of obligation to provide funds for the acquisition, construction, and maintenance of major capital facilities. Certificates of obligation have been issued for both governmental and business-type activities. Certificates of obligation are direct obligations and pledge the full faith and credit of the government. Certificates of obligation outstanding at September 30, 2022, are as follows:

***Governmental Activities***

| Series | Issue Amount | Maturity Date | Interest Rate | Year End Balances    |
|--------|--------------|---------------|---------------|----------------------|
| 2014   | \$ 6,000,000 | 2/1/2034      | 2.0-3.75      | \$ 4,130,000         |
| 2015   | 5,990,000    | 8/1/2035      | 2.0-3.375     | 3,515,000            |
| 2016   | 2,770,000    | 8/1/2031      | 2.0-2.10      | 1,640,000            |
| 2017   | 5,225,000    | 2/1/2037      | 3.0           | 4,170,000            |
| 2018   | 1,495,000    | 8/1/2037      | 3.0-5.0       | 1,275,000            |
| 2019   | 9,835,000    | 2/1/2039      | 3.0-5.0       | 8,845,000            |
| 2019A  | 17,065,000   | 2/1/2039      | 3.0-5.0       | 15,410,000           |
| 2020   | 16,920,000   | 2/1/2040      | 3.0-5.0       | 15,535,000           |
| 2022   | 15,000,000   | 2/1/2042      | 3.0-5.0       | 14,155,000           |
| 2022   | 3,284,000    | 2/1/2042      | 3.0-5.0       | <u>3,284,000</u>     |
| Total  |              |               |               | <u>\$ 71,959,000</u> |

***Business-type Activities***

| Series | Issue Amount | Maturity Date | Interest Rate | Year End Balances    |
|--------|--------------|---------------|---------------|----------------------|
| 2015   | \$ 4,005,000 | 8/1/2035      | 2.0-3.375     | \$ 3,550,000         |
| 2016   | 715,000      | 8/1/2026      | 2.0           | 485,000              |
| 2017   | 2,285,000    | 2/1/2037      | 3.0           | 1,805,000            |
| 2018   | 1,095,000    | 8/1/2037      | 3.0-5.0       | 930,000              |
| 2018A  | 4,500,000    | 2/1/2038      | 0.14-1.54     | 3,665,000            |
| 2020   | 4,665,000    | 2/1/2040      | 3.0-5.0       | 4,200,000            |
| 2022   | 15,000,000   | 2/1/2042      | 3.00-5.00     | <u>14,105,000</u>    |
| Total  |              |               |               | <u>\$ 28,740,000</u> |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

**General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition, construction, and maintenance of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding at September 30, 2022, are as follows:

**Governmental Activities**

| Series           | Issue Amount | Maturity Date | Interest Rate | Year End Balances |
|------------------|--------------|---------------|---------------|-------------------|
| 2014 – Refunding | 10,045,000   | 8/1/2025      | 2.00-3.75     | 3,080,000         |
| 2016 – Refunding | 3,325,000    | 8/1/2027      | 1.79          | 875,000           |
| Total            |              |               |               | \$ 3,955,000      |

**Development Agreement Payable**

The City entered into a development agreement with PRHC-Ennis GP, Inc. (subsequently LifePoint Hospitals, Inc.) (Company) for the construction, maintenance, and operation of an acute municipal hospital. Under the terms of the development agreement the City purchased the constructed hospital from the Company. The purchase price of \$21,795,735 at closing was reduced by an amount identified as rental revenue under the terms of the development agreement.

The development agreement payable currently outstanding and reported as a liability of the City's governmental activities at September 30, 2022, totaled \$13,576,752. The amount due within one year totals \$544,983.

**Lease Liability**

The City leases vehicles from Enterprise Fleet Management and property from various third parties to conduct its operations, the terms of which expire 2024 through 2026. The measurement of the lease payables is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

An initial lease liability was recorded in the amount of \$430,038 during the current fiscal year. As of September 30, 2022, the value of the lease liability was \$413,452. Incremental borrowing rates of 3.80 percent to 5.80 percent were used to measure lease payables. The value of the right-to-use lease assets as of the end of the current fiscal year was \$430,038 and had accumulated amortization of \$107,347.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

The future principal and interest payments for lease liabilities as of September 30, 2022, are as follows:

| <b>Governmental Activities</b>   |                   |                   |                       |
|----------------------------------|-------------------|-------------------|-----------------------|
| <b>Year Ending September 30,</b> | <b>Principal</b>  | <b>Interest</b>   | <b>Total Payments</b> |
| 2023                             | \$ 31,191         | \$ 166,606        | \$ 197,797            |
| 2024                             | 52,785            | 145,012           | 197,797               |
| 2025                             | 94,716            | 165,921           | 260,637               |
| 2026                             | 98,100            | 34,841            | 132,941               |
| 2027                             | -                 | -                 | -                     |
|                                  | <u>          </u> | <u>          </u> | <u>          </u>     |
| Totals                           | <u>\$ 276,792</u> | <u>\$ 512,380</u> | <u>\$ 789,172</u>     |

| <b>Business-Type Activities</b>  |                   |                   |                       |
|----------------------------------|-------------------|-------------------|-----------------------|
| <b>Year Ending September 30,</b> | <b>Principal</b>  | <b>Interest</b>   | <b>Total Payments</b> |
| 2023                             | \$ 12,471         | \$ 90,826         | \$ 103,297            |
| 2024                             | 24,393            | 78,903            | 103,296               |
| 2025                             | 47,712            | 90,825            | 138,537               |
| 2026                             | 52,084            | 15,124            | 67,208                |
|                                  | <u>          </u> | <u>          </u> | <u>          </u>     |
| Totals                           | <u>\$ 136,660</u> | <u>\$ 275,678</u> | <u>\$ 412,338</u>     |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

**Changes in Long-term Liabilities**

Changes in the City's long-term liabilities for the year ended September 30, 2022, are as follows:

|  | <b>Beginning<br/>Balance*</b> | <b>Additions</b>     | <b>Reductions</b>     | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
|--|-------------------------------|----------------------|-----------------------|---------------------------|--------------------------------|
| <b>Governmental Activities:</b>                        |                               |                      |                       |                           |                                |
| Bonds payable:   |                               |                      |                       |                           |                                |
| Certificates of obligation                             | \$ 57,275,000                 | \$ 17,439,000        | \$ (2,755,000)        | \$ 71,959,000             | \$ 3,820,000                   |
| General obligation bonds                               | 5,555,000                     | -                    | (1,600,000)           | 3,955,000                 | 1,160,000                      |
| Less deferred amounts:                                 |                               |                      |                       |                           |                                |
| For issuance discount                                  | (171)                         | -                    | 171                   | -                         | -                              |
| For issuance premium                                   | 4,950,603                     | 1,056,362            | (294,307)             | 5,712,658                 | -                              |
| Lease liability  | 36,514                        | 254,046              | (13,768)              | 276,792                   | 31,191                         |
| <b>Total bonds payable</b>                             | <b>67,816,946</b>             | <b>18,749,408</b>    | <b>(4,662,904)</b>    | <b>81,903,450</b>         | <b>5,011,191</b>               |
| Development agreement                                  | 14,121,735                    | -                    | (544,983)             | 13,576,752                | 544,983                        |
| Net pension liability                                  | 4,071,105                     | -                    | (2,442,968)           | 1,628,137                 | -                              |
| <b>Total OPEB liability</b>                            | <b>652,380</b>                | <b>34,332</b>        | <b>-</b>              | <b>686,712</b>            | <b>-</b>                       |
| <b>Governmental activity<br/>Long-term liabilities</b> | <b>\$ 86,662,166</b>          | <b>\$ 18,783,740</b> | <b>\$ (7,650,855)</b> | <b>\$ 97,795,051</b>      | <b>\$ 5,556,174</b>            |

\* Fiscal year 2021 amounts have been restated for GASB 87

Certificates of obligation and general obligation bonds issued for governmental activity purposes are liquidated by the debt service fund. Governmental lease obligations, net pension liability, and OPEB liability will be liquidated by the general fund. Vacation leave shall be taken during the year following its accumulation.

|   | <b>Beginning<br/>Balance</b> | <b>Additions</b>     | <b>Reductions</b>     | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
|---|------------------------------|----------------------|-----------------------|---------------------------|--------------------------------|
| <b>Business-type Activities</b>                         |                              |                      |                       |                           |                                |
| Bonds payable:  |                              |                      |                       |                           |                                |
| Certificates of obligation                              | \$ 15,615,000                | \$ 14,105,000        | \$ (980,000)          | \$ 28,740,000             | \$ 1,375,000                   |
| General obligation bonds                                | 810,000                      | -                    | (810,000)             | -                         | -                              |
| Less deferred amounts:                                  |                              |                      |                       |                           |                                |
| For issuance discount                                   | (1,996)                      | -                    | 1,996                 | -                         | -                              |
| For issuance premium                                    | 1,007,267                    | 1,056,362            | (63,426)              | 2,000,203                 | -                              |
| Lease liability   | -                            | 139,478              | (2,818)               | 136,660                   | 12,471                         |
| <b>Total bonds payable</b>                              | <b>17,430,271</b>            | <b>15,300,840</b>    | <b>(1,854,248)</b>    | <b>30,876,863</b>         | <b>1,387,471</b>               |
| Net pension liability                                   | 1,177,933                    | -                    | (610,743)             | 567,190                   | -                              |
| <b>Total OPEB liability</b>                             | <b>163,095</b>               | <b>8,584</b>         | <b>-</b>              | <b>171,679</b>            | <b>-</b>                       |
| <b>Business-type activity<br/>Long-term liabilities</b> | <b>\$ 18,771,299</b>         | <b>\$ 15,309,424</b> | <b>\$ (2,464,991)</b> | <b>\$ 31,615,732</b>      | <b>\$ 1,387,471</b>            |

Certificates of obligation, general obligation bonds, net pension liability, and OPEB liability issued for business-type activities are repaid from those activities.



**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

The debt service requirements for the City's bonds are as follows:

| <b>Year Ending<br/>September 30</b> | <b>Governmental Activities</b>        |                      |                                     |                   |
|-------------------------------------|---------------------------------------|----------------------|-------------------------------------|-------------------|
|                                     | <b>Certificates<br/>of Obligation</b> |                      | <b>General<br/>Obligation bonds</b> |                   |
|                                     | <b>Principal</b>                      | <b>Interest</b>      | <b>Principal</b>                    | <b>Interest</b>   |
| 2023                                | \$ 3,820,000                          | \$ 2,592,895         | \$ 1,160,000                        | \$ 126,125        |
| 2024                                | 4,100,000                             | 2,454,984            | 1,195,000                           | 88,432            |
| 2025                                | 3,290,000                             | 2,300,332            | 1,240,000                           | 49,514            |
| 2026                                | 3,430,000                             | 2,164,571            | 180,000                             | 6,444             |
| 2027                                | 3,630,000                             | 2,022,769            | 180,000                             | 3,222             |
| 2028 - 2032                         | 20,275,000                            | 7,801,686            | -                                   | -                 |
| 2033 - 2037                         | 20,755,000                            | 3,951,113            | -                                   | -                 |
| 2038 - 2042                         | 11,780,000                            | 779,056              | -                                   | -                 |
| 2043 - 2047                         | 625,000                               | -                    | -                                   | -                 |
| 2048 - 2052                         | 254,000                               | -                    | -                                   | -                 |
|                                     | <u>\$ 71,959,000</u>                  | <u>\$ 24,067,405</u> | <u>\$ 3,955,000</u>                 | <u>\$ 273,737</u> |

| <b>Year Ending<br/>September 30</b> | <b>Business-Type Activities</b>       |                      |
|-------------------------------------|---------------------------------------|----------------------|
|                                     | <b>Certificates<br/>of Obligation</b> |                      |
|                                     | <b>Principal</b>                      | <b>Interest</b>      |
| 2023                                | \$ 1,375,000                          | \$ 1,009,149         |
| 2024                                | 1,335,000                             | 988,467              |
| 2025                                | 1,385,000                             | 942,372              |
| 2026                                | 1,430,000                             | 896,646              |
| 2027                                | 1,350,000                             | 850,709              |
| 2028 - 2032                         | 7,525,000                             | 3,462,117            |
| 2033 - 2037                         | 8,395,000                             | 1,929,011            |
| 2038 - 2042                         | 5,945,000                             | 550,164              |
|                                     | <u>\$ 28,740,000</u>                  | <u>\$ 10,628,633</u> |

**Line of Credit**

The City has a \$6,029,441 revolving line of credit maturing November 22, 2022, secured by gross revenues. Interest is payable semi-annually at a rate equal to the lesser of the Prime Rate plus 1.00 percent or 4.50 percent. The outstanding balance on the line of credit as of September 30, 2022, was \$3,176,986.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

The City has a \$6,887,152 revolving line of credit maturing May 30, 2023, secured by gross revenues. Interest is payable semi-annually at a rate equal to the lesser of the Prime Rate plus 1.00 percent or 4.50 percent. The outstanding balance on the line of credit as of September 30, 2022, was \$6,887,152.

**Fund Balance**

*Minimum Fund Balance Policy.* In the general fund, the City strives to maintain an adequate General Fund Reserve which shall be at least the equivalent of ninety working days of general fund operating expenditures or \$1,000,000, whichever is the greater.

**Interfund Receivables and Payables**

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

| <u>Receivable Fund</u> | <u>Payable Fund</u>   | <u>Amount</u>     |
|------------------------|-----------------------|-------------------|
| General                | Court Technology      | \$ 15,279         |
| General                | Airport               | 182,574           |
| General                | Internal service fund | <u>11,392</u>     |
|                        |                       | <u>\$ 209,245</u> |

The outstanding balances between funds result mainly from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made.

**Interfund Transfers**

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

| <u>Fund</u>                            | <u>Transfers In</u> | <u>Transfers Out</u> |
|--|---------------------|----------------------|
| General Fund                           | \$ 4,024,006        | \$ -                 |
| QIPP                                   | -                   | 350,000              |
| Certificates of Obligation Series 2019 | 237,671             |                      |
| General Capital Projects               | -                   | 762,974              |
| Debt Service                           | 697,438             | -                    |
| Nonmajor Governmental Funds            | -                   | 1,027,357            |
| Utility Fund                           | 1,246,124           | 3,686,194            |
| Nonmajor Enterprise Funds              | 125,304             | 193,018              |
| Internal Service Funds                 | <u>-</u>            | <u>311,000</u>       |
|  | <u>\$ 6,330,543</u> | <u>\$ 6,330,543</u>  |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

Transfers are primarily used to recover administrative costs to the General Fund for administrative services provided and moving capital construction costs from capital project funds to the Utility fund.

***Ennis Economic Development Corporation, Inc. (Corporation)***

Cash Deposits with Financial Institutions

At year-end, the Corporation's bank balance was \$5,803,732. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance, \$5,553,732 was covered by collateral pledged in the Corporation's name. The collateral was held in the Corporation's name by the safekeeping departments of the pledging bank's agent and had a fair value of approximately \$6,363,622.

Capital and Lease Assets

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

|   | Beginning<br>Balance | Increases    | Decreases | Transfers | Ending<br>Balance |
|---|----------------------|--------------|-----------|-----------|-------------------|
| <b>Governmental Activities</b>                              |                      |              |           |           |                   |
| Capital assets not being depreciated:                       |                      |              |           |           |                   |
| Land  | \$ 3,467,796         | \$ -         | \$ -      | \$ -      | \$ 3,467,796      |
| Construction in progress                                    | -                    | 1,837,461    | -         | -         | 1,837,461         |
| Total capital assets not being depreciated                  | 3,467,796            | 1,837,461    | -         | -         | 5,305,257         |
| Capital and lease assets being depreciated/amortized:       |                      |              |           |           |                   |
| Building  | 5,001,733            | -            | -         | -         | 5,001,733         |
| Lease buildings   | -                    | 76,443       | -         | -         | 76,443            |
| Improvements  | 343,429              | -            | -         | -         | 343,429           |
| Machinery and equipment                                     | 178,157              | -            | -         | -         | 178,157           |
| Totals capital and lease assets being depreciated/amortized | 5,523,319            | 76,443       | -         | -         | 5,599,762         |
| Less accumulated depreciation/amortization for:             |                      |              |           |           |                   |
| Building  | (393,388)            | (166,724)    | -         | -         | (560,112)         |
| Lease buildings   | -                    | (19,111)     | -         | -         | (19,111)          |
| Improvements  | (343,429)            | -            | -         | -         | (343,429)         |
| Machinery and equipment                                     | (52,316)             | (26,158)     | -         | -         | (78,474)          |
| Total accumulated depreciation/amortization                 | (789,133)            | (211,993)    | -         | -         | (1,001,126)       |
| Total capital and lease assets being depreciated, net       | 4,734,186            | (135,550)    | -         | -         | 4,598,636         |
| Corporation capital and lease assets, net                   | \$ 8,201,982         | \$ 1,701,911 | \$ -      | \$ -      | \$ 9,903,893      |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

Economic Development Agreements

On May 20, 2016, the Corporation entered into an economic development agreement and land sales agreement with Schirm USA, Inc. (Schirm) to sale land to Schirm. Under the agreements Schirm agrees to expand its current manufacturing facility with a minimum cost of \$1,500,000. In the event Schirm fails to construct and maintain such facility, Schirm agrees to resell the property to the Corporation in the amount of the original purchase price without interest.

On May 1, 2018, the Corporation entered into an economic development agreement with a DA Ennis 45 Partners, LP (DA Ennis). Under the agreement, the Corporation shall pay DA Ennis a grant of \$450,000 paid as four separate grants after specific project performance requirements are met by DA Ennis. The project includes the investment of approximately \$12,000,000 to develop approximately 6.7 acres of land and the construction and operation of multiple retail developments. As of September 30, 2022, the Corporation has made payments of \$325,000 under this agreement.

Sales Tax Revenue Bonds

Revenue bonds currently outstanding and reported as liabilities of the Corporation are:

| Series         | Issue Amount | Maturity Date | Interest Rate | Year End Balances   |
|----------------|--------------|---------------|---------------|---------------------|
| 1999           | \$ 3,290,430 | 8/1/2034      | 3.50-8.45     | \$ 455,430          |
| 2014 Refunding | 2,745,000    | 8/1/2034      | 0.50-4.50     | 1,595,000           |
| 2019 Refunding | 2,240,000    | 8/1/2024      | 2.30          | 915,000             |
| Total          |              |               |               | <u>\$ 2,965,430</u> |

Lease Liability

The Corporation leases property from various third parties to conduct its operations, the terms of which expire 2024 through 2026. The measurement of the lease payables is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

An initial lease liability was recorded in the amount of \$76,443 during the current fiscal year. As of September 30, 2022, the value of the lease liability was \$68,304. Incremental borrowing rates of 5.75 percent to 5.80 percent were used to measure lease payables. The value of the right-to-use lease assets as of the end of the current fiscal year was \$76,443 and had accumulated amortization of \$19,111.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

The future principal and interest payments for lease liabilities as of September 30, 2022, are as follows:

| <b>Economic Development Corporation</b> |                  |                  |                       |                |
|---|------------------|------------------|-----------------------|----------------|
| <b>Year Ending September 30,</b>        | <b>Principal</b> | <b>Interest</b>  | <b>Total Payments</b> |                |
| 2023                                    | \$ 14,011        | \$ 20,915        | \$                    | 34,926         |
| 2024                                    | 18,486           | 16,440           |                       | 34,926         |
| 2025                                    | 25,007           | 13,784           |                       | 38,791         |
| 2026                                    | <u>10,800</u>    | <u>1,573</u>     |                       | <u>12,373</u>  |
| Totals                                  | <u>\$ 68,304</u> | <u>\$ 52,712</u> | <u>\$</u>             | <u>121,016</u> |

Annual debt service requirements to maturity for revenue bonds are as follows:

| <b>Year Ending<br/>September 30</b> | <b>Component Unit</b>              |                     |
|-------------------------------------|------------------------------------|---------------------|
|                                     | <b>Sales Tax<br/>Revenue Bonds</b> |                     |
|                                     | <b>Principal</b>                   | <b>Interest</b>     |
| 2023                                | \$ 615,000                         | \$ 85,657           |
| 2024                                | 625,000                            | 70,981              |
| 2025                                | 169,410                            | 527,810             |
| 2026                                | 169,280                            | 528,877             |
| 2027                                | 169,435                            | 528,092             |
| 2028 - 2032                         | 853,750                            | 2,617,024           |
| 2033 - 2037                         | <u>363,555</u>                     | <u>1,025,844</u>    |
|                                     | <u>\$ 2,965,430</u>                | <u>\$ 5,384,285</u> |

Changes in the Corporation's long-term liabilities for the year ended September 30, 2022, are as follows:

|   | <b>Beginning<br/>Balance</b> | <b>Additions</b>  | <b>Reductions</b>   | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
|---|------------------------------|-------------------|---------------------|---------------------------|--------------------------------|
| <b>Corporation</b>                      |                              |                   |                     |                           |                                |
| Bonds payable:                          |                              |                   |                     |                           |                                |
| Sales tax revenue bonds                 | \$ 3,565,430                 | \$ -              | \$ (600,000)        | \$ 2,965,430              | \$ 615,000                     |
| Accretion on Capital Appreciation Bonds | 2,269,016                    | 235,066           | -                   | 2,504,082                 | -                              |
| Less deferred amounts:                  |                              |                   |                     |                           |                                |
| For issuance discount                   | (6,862)                      | -                 | 528                 | (6,334)                   | -                              |
| Lease liability                         | <u>-</u>                     | <u>76,443</u>     | <u>(8,139)</u>      | <u>68,304</u>             | <u>14,011</u>                  |
| Corporation long-term liabilities       | <u>\$ 5,827,584</u>          | <u>\$ 311,509</u> | <u>\$ (607,611)</u> | <u>\$ 5,531,482</u>       | <u>\$ 629,011</u>              |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

**Note 3: Defined Benefit Pension Plan**

***Plan Description***

The City participates as one of 920 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the *TMRS Act*, Subtitle G, Title 8, Texas Government Code (TMRS Act) as an agent multiple- employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report that can be obtained at [www.tmr.com](http://www.tmr.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 benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75 percent of the member's deposits and interest.

***Employees Covered by Benefit Terms***

At the December 31, 2021, valuation and measurement date, the following employees were covered by the benefit terms:

|  |     |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefits | 154 |
| Inactive employees entitled to but not yet receiving benefits    | 69  |
| Active employees   | 190 |
|  | 413 |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

**Contributions**

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

Employees for the City were required to contribute 7 percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.77 percent and 16.73 percent in calendar years 2022 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$2,387,972, and were equal to the required contributions.

**Net Pension Liability**

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

Actuarial Assumptions

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

|                               |  |
|-------------------------------|--|
| Inflation                     | 2.5% per year  |
| Overall payroll growth        | 2.75% per year   |
| Investment Rate of Return     | 6.75%, net of pension plan investment expense, including inflation   |
| Remaining Amortization Period | 23 Years   |
| Asset Valuation Method        | 10 Year smoothed market; 12% soft corridor   |
| Retirement Age                | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018  |
| Mortality                     | Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP. |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109 percent and female rates multiplied by 103 percent. Based on the size of the City, rates are multiplied by a factor of 100 percent. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males' rates multiplied by 109 percent and female rates multiplied by 103 percent with a three-year set-forward for both males and females. In addition, a 3 percent minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3 percent 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. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The postretirement mortality assumption for Annuity Purchase Rates (APRs) 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, GRS focused on the area between: (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).



**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

| <b>Asset Class</b>               | <b>Target Allocation</b> | <b>Long-term Expected Real Rate of Return (Arithmetic)</b> |
|----------------------------------|--------------------------|--|
| Global Equity                    | 35.0%                    | 7.55%  |
| Core Fixed Income                | 6.0%                     | 2.00%  |
| Non-Core Fixed Income            | 20.0%                    | 5.68%  |
| Other Public and Private Markets | 12.0%                    | 7.22%  |
| Real Estate                      | 12.0%                    | 6.85%  |
| Hedge Funds                      | 5.0%                     | 5.35%  |
| Private Equity                   | 10.0%                    | 10.00%   |
| Total                            | <u>100%</u>              |  |

Discount Rate

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

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

Changes in the Net Pension Liability

|   | Increase (Decrease)                  |  |  |
|---|--------------------------------------|--|--|
|   | Total<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net<br>Pension<br>Liability<br>(a) - (b) |
| <b>Balance at October 1, 2021</b>                             | \$ 77,342,477                        | \$ 72,093,440                            | \$ 5,249,037                             |
| Changes for the year:   |                                      |  |  |
| Service cost  | 2,487,609                            | -  | 2,487,609                                |
| Interest  | 5,187,388                            | -  | 5,187,388                                |
| Difference between expected and actual experience             | 1,728,845                            | -  | 1,728,845                                |
| Changes of assumptions  | -                                    | -  | -  |
| Contributions - employer                                      | -                                    | 2,188,099                                | (2,188,099)                              |
| Contributions - employee                                      | -                                    | 915,524                                  | (915,524)                                |
| Net investment income   | -                                    | 9,397,117                                | (9,397,117)                              |
| Benefit payments, including refunds of employee contributions | (3,472,190)                          | (3,472,190)                              | -  |
| Administrative expense  | -                                    | (43,486)                                 | 43,486                                   |
| Other changes   | -                                    | 298                                      | (298)                                    |
| <b>Net Changes</b>  | <u>5,931,652</u>                     | <u>8,985,362</u>                         | <u>(3,053,710)</u>                       |
| <b>Balance at September 30, 2022</b>                          | <u>\$ 83,274,129</u>                 | <u>\$ 81,078,802</u>                     | <u>\$ 2,195,327</u>                      |

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

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

|   | 1.0% Decrease<br>in Discount<br>Rate (5.75%) | Discount Rate<br>(6.75%) | 1.0% Increase<br>in Discount<br>Rate (7.75%) |
|---|--|--------------------------|--|
| City's net pension liability (asset) \$ | 13,560,487                                   | \$ 2,195,327             | \$ (7,174,082)                               |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

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

For the year ended September 30, 2022, the City recognized pension expense of \$523,780.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|---|---|--|
| Changes in assumptions                                      | \$ 73,066                                     | \$ -   |
| Difference between projected and actual investment earnings | -   | 4,827,859                                    |
| Differences between expected and actual economic experience | 1,402,647                                     | 328,851                                      |
| Contributions subsequent to the measurement date            | 1,729,481                                     | -  |
| Total   | \$ 3,205,194                                  | \$ 5,156,710                                 |

\$1,729,481 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year Ended September 30</b> | <b>Net Deferred<br/>Outflows/<br/>(Inflows) of<br/>Resources</b> |
|--------------------------------|--|
| 2023                           | \$ (645,777)   |
| 2024                           | (1,829,744)  |
| 2025                           | (717,645)  |
| 2026                           | (585,686)  |
| 2027                           | 97,855   |
| Total                          | \$ (3,680,997)   |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

**Note 4: Other Postemployment Benefit (OPEB) Obligations**

***Plan Description***

Texas Municipal Retirement System (TMRS) administers a 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. The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single-employer, defined benefit OPEB plan. TMRS issues a publicly available annual comprehensive financial report that can be obtained at [www.tmrs.com](http://www.tmrs.com).

***Benefits Provided***

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.

The City contributes to the SDBF at a contractually required rate 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.

***Employees Covered by Benefit Terms***

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

|   |     |
|---|-----|
| Inactive employees currently receiving benefits               | 109 |
| Inactive employees entitled to but not yet receiving benefits | 12  |
| Active employees  | 190 |
|   | 311 |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

***Total OPEB Liability***

The City's total OPEB liability of \$858,391 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 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*                           | 1.84% as of December 31, 2021 (2.00% as of December 31, 2020)  |
| Retirees' share of benefit-related costs | \$0  |
| Administrative expenses                  | All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 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% 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, 2021.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

**Changes in Total OPEB Liability**

|   | <b>Total OPEB<br/>Liability</b> |
|---|---------------------------------|
| <b>Balance at October 1, 2021</b>                 | \$ 815,475                      |
| Changes for the year:                             |                                 |
| Service cost                                      | 36,621                          |
| Interest  | 16,466                          |
| Difference between expected and actual experience | (14,824)                        |
| Changes in assumptions or other inputs            | 25,579                          |
| Benefit payments                                  | (20,926)                        |
| Net Changes                                       | 42,916                          |
| <b>Balance at September 30, 2022</b>              | <b>\$ 858,391</b>               |

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 1-percentage-point lower (1.84 percent) or 1-percentage-point higher (2.84 percent) than the current rate:

|                      | <b>1% Decrease<br/>(0.84%)</b> | <b>Current<br/>Discount Rate<br/>(1.84%)</b> | <b>1% Increase<br/>(2.84%)</b> |
|----------------------|--------------------------------|--|--------------------------------|
| Total OPEB liability | \$ 1,044,345                   | \$ 858,391                                   | \$ 714,559                     |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$74,256. At September 30, 2022, the City reported deferred outflows and deferred inflows of resources and related to OPEB from the following sources:

|   | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|---|---|--|
| Changes in assumptions                                      | \$ 169,482                                    | \$ 17,630                                    |
| Differences between expected and actual economic experience | 145,179                                       | 236,396                                      |
| Contributions subsequent to the measurement date            | 24,751  | -  |
| Total   | \$ 339,412                                    | \$ 254,026                                   |

\$24,751 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 year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

| <b>Year Ended September 30</b> | <b>Net Deferred<br/>Outflows/<br/>(Inflows) of<br/>Resources</b> |
|--------------------------------|--|
| 2023                           | \$ 21,169  |
| 2024                           | 21,169   |
| 2025                           | 16,887   |
| 2026                           | (10,978)   |
| 2027                           | 10,999   |
| Thereafter                     | 1,389  |
| Total                          | \$ 60,635  |

**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

**Note 5: Contingencies**

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

**Note 6: Litigation**

The City is party to several legal actions arising in the ordinary course of business. In the opinion of the City's legal counsel and management, the City has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe the amount is probable.

**Note 7: Related Party Transactions**

The significant transactions between the component unit and primary government during the year ended September 30, 2022, consisted of a reimbursement for personnel costs in the amount of \$350,000.

**Note 8: New Pronouncements**

The GASB has issued the following new statements to be implemented in future years.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94):

This statement addresses issues related to public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs). This statement will be effective for the City in fiscal year 2023. The City will evaluate the potential impact on the City's net position.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96):

This statement provides guidance on subscription-based information technology arrangements (SBITAs) to further report on government's obligations and assets from SBITAs. This statement will be effective for the City in fiscal year 2023. The City will evaluate the potential impact on the City's net position.



**City of Ennis, Texas**  
**Notes to the Financial Statements**  
**September 30, 2022**

Statement No. 99, *Omnibus 2022* (GASB 99):

This statement improves comparability and consistency of application of accounting and financial reporting and also authoritative literature. This statement will be effective for the City in fiscal year 2023. The City will evaluate the potential impact on the City's net position.

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62 (GASB 100):

This statement improves the clarity and requirements for accounting changes and error corrections. This statement will be effective for the City in fiscal year 2024. The City will evaluate the potential impact on the City's net position.

GASB Statement No. 101, *Compensated Absences* (GASB 101):

This statement addresses the recognition and measurement of compensated absences. This statement will be effective for the City in fiscal year 2025. The City will evaluate the potential impact on the City's net position.

**Note 9: Subsequent Events**

In October 2022, the City purchased the Ennis City Hall building for \$3,360,000.

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## **Required Supplementary Information**

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**City of Ennis, Texas**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Eight Calendar Years**  
**(Unaudited)**

|   | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>  |                      |                      |                      |                      |                      |                      |                      |                      |
| Service Cost  | \$ 1,491,053         | \$ 1,671,627         | \$ 1,840,901         | \$ 2,048,680         | \$ 2,160,079         | \$ 2,282,005         | \$ 2,275,864         | \$ 2,487,609         |
| Interest (on the Total Pension Liability)                                     | 3,884,019            | 4,045,832            | 4,058,860            | 4,283,551            | 4,513,388            | 4,705,505            | 4,933,807            | 5,187,388            |
| Difference between expected and actual experience                             | (695,656)            | (749,875)            | 57,172               | (44,355)             | (488,779)            | (246,203)            | (92,382)             | 1,728,845            |
| Changes of assumptions  | -                    | (37)                 | -                    | -                    | -                    | 162,535              | -                    | -                    |
| Benefit payments, including refunds of employee contributions                 | (2,288,691)          | (2,627,506)          | (2,809,516)          | (2,654,647)          | (3,222,511)          | (3,576,427)          | (3,460,624)          | (3,472,190)          |
| <b>Net Change in Total Pension Liability</b>                                  | <b>2,390,725</b>     | <b>2,340,041</b>     | <b>3,147,417</b>     | <b>3,633,229</b>     | <b>2,962,177</b>     | <b>3,327,415</b>     | <b>3,656,665</b>     | <b>5,931,652</b>     |
| <b>Total Pension Liability - Beginning</b>                                    | <b>55,884,808</b>    | <b>58,275,533</b>    | <b>60,615,574</b>    | <b>63,762,991</b>    | <b>67,396,220</b>    | <b>70,358,397</b>    | <b>73,685,812</b>    | <b>77,342,477</b>    |
| <b>Total Pension Liability - Ending (a)</b>                                   | <b>\$ 58,275,533</b> | <b>\$ 60,615,574</b> | <b>\$ 63,762,991</b> | <b>\$ 67,396,220</b> | <b>\$ 70,358,397</b> | <b>\$ 73,685,812</b> | <b>\$ 77,342,477</b> | <b>\$ 83,274,129</b> |
| <b>Plan Fiduciary Net Position</b>  |                      |                      |                      |                      |                      |                      |                      |                      |
| Contributions - Employer  | \$ 1,635,304         | \$ 1,686,270         | \$ 1,781,293         | \$ 1,898,840         | \$ 2,010,628         | \$ 2,054,555         | \$ 2,010,023         | \$ 2,188,099         |
| Contributions - Employee  | 608,568              | 636,329              | 695,429              | 765,657              | 804,713              | 851,041              | 842,021              | 915,524              |
| Net Investment Income   | 2,775,570            | 75,581               | 3,443,016            | 7,486,574            | (1,841,480)          | 9,147,353            | 5,130,608            | 9,397,117            |
| Benefit payments, including refunds of employee contributions                 | (2,288,691)          | (2,627,506)          | (2,809,516)          | (2,654,647)          | (3,222,511)          | (3,576,427)          | (3,460,624)          | (3,472,190)          |
| Administrative Expense  | (28,980)             | (46,036)             | (38,883)             | (38,796)             | (35,586)             | (51,699)             | (33,206)             | (43,486)             |
| Other   | (2,383)              | (2,273)              | (2,095)              | (1,966)              | (1,860)              | (1,553)              | (1,295)              | 299                  |
| <b>Net Change in Plan Fiduciary Net Position</b>                              | <b>2,699,388</b>     | <b>(277,635)</b>     | <b>3,069,244</b>     | <b>7,455,662</b>     | <b>(2,286,096)</b>   | <b>8,423,270</b>     | <b>4,487,527</b>     | <b>8,985,363</b>     |
| <b>Plan Fiduciary Net Position - Beginning</b>                                | <b>48,522,079</b>    | <b>51,221,467</b>    | <b>50,943,832</b>    | <b>54,013,076</b>    | <b>61,468,738</b>    | <b>59,182,642</b>    | <b>67,605,912</b>    | <b>72,093,439</b>    |
| <b>Plan Fiduciary Net Position - Ending (b)</b>                               | <b>\$ 51,221,467</b> | <b>\$ 50,943,832</b> | <b>\$ 54,013,076</b> | <b>\$ 61,468,738</b> | <b>\$ 59,182,642</b> | <b>\$ 67,605,912</b> | <b>\$ 72,093,439</b> | <b>\$ 81,078,802</b> |
| <b>Net Pension Liability - Ending (a) - (b)</b>                               | <b>\$ 7,054,066</b>  | <b>\$ 9,671,742</b>  | <b>\$ 9,749,915</b>  | <b>\$ 5,927,482</b>  | <b>\$ 11,175,755</b> | <b>\$ 6,079,900</b>  | <b>\$ 5,249,038</b>  | <b>\$ 2,195,327</b>  |
| <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b> | 87.90%               | 84.04%               | 84.71%               | 91.21%               | 84.12%               | 91.75%               | 93.21%               | 97.36%               |
| <b>Covered Payroll</b>  | 8,682,504            | 9,070,142            | 9,934,705            | 10,937,960           | 11,495,895           | 12,157,727           | 12,028,878           | 13,078,913           |
| <b>Net Pension Liability as a Percentage of Covered Payroll</b>               | 81.24%               | 106.63%              | 98.14%               | 54.19%               | 97.22%               | 50.01%               | 43.64%               | 16.79%               |

**Notes to Schedule:**

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10- year trend is compiled in accordance with the provision of GASB 68, only periods for which such information is available are presented.

**City of Ennis, Texas**  
**Schedule of Contributions**  
**Last Eight Fiscal Years**  
**(Unaudited)**

|  | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially Determined Contribution                                  | \$ 1,673,240 | \$ 1,683,257 | \$ 1,827,529 | \$ 2,006,005 | \$ 1,987,824 | \$ 2,064,308 | \$ 2,071,820 | \$ 2,387,972 |
| Contributions in relation to the actuarially determined contribution | 1,673,240    | 1,683,257    | 1,827,529    | 2,006,005    | 1,987,824    | 2,064,308    | 2,071,820    | 2,387,972    |
| Contribution deficiency (excess)                                     | -            | -            | -            | -            | -            | -            | -            | -            |
| Covered payroll  | 8,991,990    | 9,315,037    | 10,437,703   | 11,493,429   | 11,649,523   | 12,402,127   | 12,218,774   | 14,084,103   |
| Contributions as a percentage of covered payroll                     | 18.61%       | 18.07%       | 17.51%       | 17.45%       | 17.06%       | 16.64%       | 16.96%       | 16.96%       |

**Schedule Notes:**

*Valuation Dates:*

Notes

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

*Methods and Assumptions Used to Determine Contribution Rates:*

|                               |   |
|-------------------------------|---|
| Actuarial Cost Method         | Entry Age Normal  |
| Amortization Method           | Level Percentage of Payroll, Closed   |
| Remaining Amortization Period | 23 years  |
| Asset Valuation Method        | 10 year smoothed market; 12% soft corridor  |
| Inflation                     | 2.50%   |
| Salary Increases              | 3.50% to 11.50% including inflation   |
| Investment Rate of Return     | 6.75%   |
| Retirement Age                | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 -  |
| Mortality                     | Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.<br>Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP. |

*Other Information:*

Notes

There were no benefit changes during the year.

**Notes to Schedule:**

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10- year trend is compiled in accordance with the provision of GASB 68, only periods for which such information is available are presented.

# City of Ennis, Texas

## Schedule of Changes in Total OPEB Liability and Related Ratios Last Five Calendar Years

|   | 2017       | 2018       | 2019       | 2020       | 2021       |
|---|------------|------------|------------|------------|------------|
| <b>Total OPEB Liability</b>   |            |            |            |            |            |
| Service Cost  | \$ 18,595  | \$ 22,992  | \$ 20,668  | \$ 26,464  | \$ 36,621  |
| Interest (on the Total Pension Liability)                               | 19,447     | 19,591     | 33,778     | 19,577     | 16,466     |
| Difference between expected and actual experience                       | -          | 322,231    | (356,825)  | (29,501)   | (14,824)   |
| Changes of assumptions and other inputs                                 | 43,318     | (39,134)   | 106,935    | 103,301    | 25,579     |
| Benefit payments  | (6,563)    | (5,748)    | (6,079)    | (6,014)    | (20,926)   |
| <b>Net Change in Total OPEB Liability</b>                               | 74,797     | 319,932    | (201,523)  | 113,827    | 42,916     |
| <b>Total OPEB Liability – Beginning</b>                                 | 508,442    | 583,239    | 903,171    | 701,648    | 815,475    |
| <b>Total OPEB Liability – Ending</b>                                    | \$ 583,239 | \$ 903,171 | \$ 701,648 | \$ 815,475 | \$ 858,391 |
| <b>Covered-Employee Payroll</b>   | 10,937,960 | 11,495,895 | 12,157,727 | 12,028,878 | 13,078,913 |
| <b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b> | 5.33%      | 7.86%      | 5.77%      | 6.78%      | 6.56%      |

**Notes to Schedule:**

The information in this schedule has been determined as of the measurement date (December 31) of the City's total OPEB liability and is intended to show information for 10 years. However, until a full 10- year trend is compiled in accordance with the provision of GASB 75, only periods for which such information is available are presented.

**Notes to Schedule:**

*Plan Information:*

Single-employer unfunded OPEB plan

There are no assets accumulated in a trust that meets the criteria in GASB Statement No.75 paragraph four to pay related benefits.

*Actuarial Valuation and Measurement Date:*

December 31

*Significant actuarial assumptions used to measure the total OPEB liability:*

Inflation 2.50%

Salary Increases 3.50% to 11.50%, including inflation

Discount Rate 1.84% (2.00% in prior year)

Retiree's Share of Benefit-related Costs \$0

Administrative expenses All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No.68

Mortality – Service Retirees 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Mortality – 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% 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

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.

## **Nonmajor Special Revenue Funds**

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

*Museum Fund* – This fund is used to account for revenues earned from operations and donations given to the City for the development and enhancement of the museum.

*Forfeited Contraband Fund* – This fund is used to account for seized property to be used for official purposes as provided by Article 59.06 Texas Code of Criminal Procedure.

*Law Enforcement Education Fund* – This fund is used to account for fines received to provide law enforcement training and education.

*COPS More Grant Fund* – This fund is used to account for grants received to hire additional career law enforcement officers.

*COE 2010 Trust Library* – This fund is used to account for improvements to the Ennis Public Library which are funded by an anonymous, conditional bequest to the City received during 2010.

*Tourism Fund* – This fund accounts for the 7 percent Hotel/Motel Occupancy Tax levied on all hotels and motels in the City. Funds are used for advertising and general promotion of the City, historical preservation.

*Court Technology Fund* – This fund accounts for the collection of a municipal court technology fee. The proceeds of a fee attached to each conviction are dedicated to acquisition of technology that enhances the operation efficiency of the court.

*Court Security Fund* – This fund accounts for the collection of a municipal court security fee. The proceeds of a fee attached to each conviction are dedicated to securing the municipal court.

*Crime Control & Prevention District* – This fund is used to account for the 1/4 cent Crime Control Tax. The revenue from this tax is intended to enhance the law enforcement capabilities of the Ennis Police Department by providing critical equipment and personnel.

*Street Maintenance* – This fund is used to account for the 1/4 cent Street Maintenance Tax revenues and expenditures devoted to street repair, mill and overlay, and reconstruction projects.

*Police Donation* – This fund is used to account for donations and contributions given to the City for the enhancement of the law enforcement capabilities.



## **Nonmajor Special Revenue Funds (Continued)**

*Fire Donation* – This fund is used to account for donations and contributions given to the City for the enhancement of the fire protection capabilities.

*Parks Donation* – This fund is used to account for donations and contributions given to the City for the enhancement of the parks.

*Cardinals Park Land Development* – This fund is used to account for park land development in the subdivision.

*Bluebonnet Estates Park Land Development* – This fund is used to account for park land development in the subdivision.

*Creechville Zone Park Land Development* – This fund is used to account for park land development in the subdivision.

*Employee Appreciation* – This fund is used to account for donations and contributions given to the City to fund employee appreciation incentives.

## **Nonmajor Capital Projects Fund**

Capital project funds are used to account for the financial resources segregated for the acquisition of major capital facilities other than those financed by enterprise funds.

*Tax Increment Reinvestment Zone #1 Fund* – This fund is used to account for the taxes collected in a designated reinvestment zone to be used for public improvements.

*Tax Increment Reinvestment Zone #2 Fund* – This fund is used to account for the taxes collected in a designated reinvestment zone to be used for public improvements.

*Tax Increment Reinvestment Zone #3 Fund* – This fund is used to account for the taxes collected in a designated reinvestment zone to be used for public improvements.

## **Nonmajor Permanent Fund**

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the government's programs.

*Library Endowment Fund* – This fund is used to account for all donations and memorials given to the City for the purchase of library furnishings and books.

**City of Ennis, Texas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2022**

| <b>Assets</b>                              | <b>Nonmajor<br/>Special<br/>Revenue</b> | <b>Nonmajor<br/>Capital<br/>Projects</b> | <b>Nonmajor<br/>Permanent</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|--|---|--|-------------------------------|--|
| Cash and cash equivalents                  | \$ 5,070,816                            | \$ 919,985                               | \$ 223,267                    | \$ 6,214,068   |
| Other receivables                          | 671,240                                 | 5,743                                    | -                             | 676,983  |
| Intergovernmental receivables              | -                                       | -  | -                             | -  |
| Due from other funds                       | -                                       | -  | -                             | -  |
| <b>Total assets</b>                        | <b>\$ 5,742,056</b>                     | <b>\$ 925,728</b>                        | <b>\$ 223,267</b>             | <b>\$ 6,891,051</b>                                  |
| <b>Liabilities</b>                         |   |  |                               |  |
| Accounts payable                           | \$ 166,014                              | \$ 46                                    | \$ -                          | \$ 166,060   |
| Unearned revenue                           | -                                       | -  | -                             | -  |
| Accrued payroll                            | 9,811                                   | -  | -                             | 9,811  |
| Due to other funds                         | 15,279                                  | -  | -                             | 15,279   |
| <b>Total liabilities</b>                   | <b>191,104</b>                          | <b>46</b>                                | <b>-</b>                      | <b>191,150</b>                                       |
| <b>Deferred Inflows of Resources</b>       |   |  |                               |  |
| Unavailable revenue – property taxes       | -                                       | 4,723                                    | -                             | 4,723  |
| <b>Total deferred inflows of resources</b> | <b>-</b>                                | <b>4,723</b>                             | <b>-</b>                      | <b>4,723</b>   |
| <b>Fund Balances</b>                       |   |  |                               |  |
| <b>Nonspendable:</b>                       |   |  |                               |  |
| Endowment                                  | -                                       | -  | 28,966                        | 28,966   |
| <b>Restricted:</b>                         |   |  |                               |  |
| Capital projects                           | -                                       | 920,959                                  | -                             | 920,959  |
| Cultural and recreational                  | 951,073                                 | -  | 194,301                       | 1,145,374  |
| Public safety                              | 1,872,688                               | -  | -                             | 1,872,688  |
| Streets                                    | 2,250,394                               | -  | -                             | 2,250,394  |
| Tourism                                    | 492,076                                 | -  | -                             | 492,076  |
| <b>Unassigned (Deficit)</b>                | <b>(15,279)</b>                         | <b>-</b>                                 | <b>-</b>                      | <b>(15,279)</b>                                      |
| <b>Total fund balances</b>                 | <b>5,550,952</b>                        | <b>920,959</b>                           | <b>223,267</b>                | <b>6,695,178</b>                                     |
| <b>Total liabilities and fund balances</b> | <b>\$ 5,742,056</b>                     | <b>\$ 925,728</b>                        | <b>\$ 223,267</b>             | <b>\$ 6,891,051</b>                                  |

**City of Ennis, Texas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2022**

|  | <b>Nonmajor<br/>Special<br/>Revenue</b> | <b>Nonmajor<br/>Capital<br/>Projects</b> | <b>Nonmajor<br/>Permanent</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|--|---|--|-------------------------------|--|
| <b>Revenues</b>  |   |  |                               |  |
| Property taxes   | \$ -                                    | \$ 374,405                               | \$ -                          | \$ 374,405   |
| Sales taxes  | 3,535,727                               | -  | -                             | 3,535,727  |
| Hotel occupancy taxes  | 490,768                                 | -  | -                             | 490,768  |
| Fines and forfeitures  | 15,171                                  | -  | -                             | 15,171   |
| Interest   | 4,562                                   | 1,627                                    | 4                             | 6,193  |
| Miscellaneous  | 3,537                                   | -  | 1,549                         | 5,086  |
| Intergovernmental  | 2,949                                   | -  | -                             | 2,949  |
| Contributions and donations                                  | 10,837                                  | -  | -                             | 10,837   |
|  | <u>4,063,551</u>                        | <u>376,032</u>                           | <u>1,553</u>                  | <u>4,441,136</u>                                     |
| <b>Total revenues</b>  |   |  |                               |  |
| <b>Expenditures</b>  |   |  |                               |  |
| Current:   |   |  |                               |  |
| General government   | 322,386                                 | -  | -                             | 322,386  |
| Public safety  | 89,401                                  | -  | -                             | 89,401   |
| Streets  | 440,692                                 | -  | -                             | 440,692  |
| Cultural and recreational                                    | 14,511                                  | -  | -                             | 14,511   |
| Capital outlay:  |   |  |                               |  |
| General government   | -                                       | 57,662                                   | -                             | 57,662   |
|  | <u>866,990</u>                          | <u>57,662</u>                            | <u>-</u>                      | <u>924,652</u>                                       |
| <b>Total expenditures</b>                                    |   |  |                               |  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>3,196,561</u>                        | <u>318,370</u>                           | <u>1,553</u>                  | <u>3,516,484</u>                                     |
| <b>Other Financing Sources (Uses)</b>                        |   |  |                               |  |
| Transfers out  | (1,027,357)                             | -  | -                             | (1,027,357)  |
| Sale of capital assets                                       | 29,007                                  | -  | -                             | 29,007   |
|  | <u>(998,350)</u>                        | <u>-</u>                                 | <u>-</u>                      | <u>(998,350)</u>                                     |
| <b>Total other financing sources (uses)</b>                  |   |  |                               |  |
| <b>Net Change in Fund Balances</b>                           | 2,198,211                               | 318,370                                  | 1,553                         | 2,518,134  |
| <b>Fund Balances, Beginning</b>                              | <u>3,352,741</u>                        | <u>602,589</u>                           | <u>221,714</u>                | <u>4,177,044</u>                                     |
| <b>Fund Balances, Ending</b>                                 | <u>\$ 5,550,952</u>                     | <u>\$ 920,959</u>                        | <u>\$ 223,267</u>             | <u>\$ 6,695,178</u>                                  |

**City of Ennis, Texas**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**September 30, 2022**

| <b>Assets</b>                              | <b>Museum</b>   | <b>Forfeited<br/>Contraband</b> | <b>Law<br/>Enforcement<br/>Education</b> | <b>COPS<br/>More<br/>Grant</b> | <b>COE<br/>2010<br/>Trust<br/>Library</b> | <b>Tourism</b>    | <b>Court<br/>Technology</b> | <b>Court<br/>Security</b> |
|--|-----------------|---------------------------------|--|--------------------------------|---|-------------------|-----------------------------|---------------------------|
| Cash and cash equivalents                  | \$ 8,614        | \$ 46,530                       | \$ 8,748                                 | \$ 2                           | \$ 487,525                                | \$ 407,704        | \$ -                        | \$ 26,520                 |
| Other receivables                          | -               | -                               | -  | -                              | -   | 98,078            | -                           | -                         |
| <b>Total assets</b>                        | <b>\$ 8,614</b> | <b>\$ 46,530</b>                | <b>\$ 8,748</b>                          | <b>\$ 2</b>                    | <b>\$ 487,525</b>                         | <b>\$ 505,782</b> | <b>\$ -</b>                 | <b>\$ 26,520</b>          |
| <b>Liabilities</b>                         |                 |                                 |  |                                |   |                   |                             |                           |
| Accounts payable                           | \$ -            | \$ -                            | \$ -                                     | \$ -                           | \$ 387                                    | \$ 3,895          | \$ -                        | \$ -                      |
| Accrued payroll                            | -               | -                               | -  | -                              | -   | 9,811             | -                           | -                         |
| Due to other funds                         | -               | -                               | -  | -                              | -   | -                 | 15,279                      | -                         |
| <b>Total liabilities</b>                   | <b>-</b>        | <b>-</b>                        | <b>-</b>                                 | <b>-</b>                       | <b>387</b>                                | <b>13,706</b>     | <b>15,279</b>               | <b>-</b>                  |
| <b>Fund Balance</b>                        |                 |                                 |  |                                |   |                   |                             |                           |
| <b>Restricted:</b>                         |                 |                                 |  |                                |   |                   |                             |                           |
| Cultural and recreation                    | 8,614           | -                               | -  | -                              | 487,138                                   | -                 | -                           | -                         |
| Public safety                              | -               | 46,530                          | 8,748                                    | 2                              | -   | -                 | -                           | 26,520                    |
| Streets                                    | -               | -                               | -  | -                              | -   | -                 | -                           | -                         |
| Tourism                                    | -               | -                               | -  | -                              | -   | 492,076           | -                           | -                         |
| <b>Unassigned (Deficit)</b>                | <b>-</b>        | <b>-</b>                        | <b>-</b>                                 | <b>-</b>                       | <b>-</b>                                  | <b>-</b>          | <b>(15,279)</b>             | <b>-</b>                  |
| <b>Total fund balance</b>                  | <b>8,614</b>    | <b>46,530</b>                   | <b>8,748</b>                             | <b>2</b>                       | <b>487,138</b>                            | <b>492,076</b>    | <b>(15,279)</b>             | <b>26,520</b>             |
| <b>Total liabilities and fund balances</b> | <b>\$ 8,614</b> | <b>\$ 46,530</b>                | <b>\$ 8,748</b>                          | <b>\$ 2</b>                    | <b>\$ 487,525</b>                         | <b>\$ 505,782</b> | <b>\$ -</b>                 | <b>\$ 26,520</b>          |

**City of Ennis, Texas**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Special Revenue Funds**  
**September 30, 2022**

| <b>Assets</b>                       | <b>Crime<br/>Control and<br/>Prevention<br/>District</b> | <b>Street<br/>Maintenance</b> | <b>Police<br/>Donation</b> | <b>Fire<br/>Donation</b> | <b>Parks<br/>Donation</b> | <b>Cardinals<br/>Park Land<br/>Development</b> | <b>Bluebonnet<br/>Estates Park<br/>Land<br/>Development</b> | <b>Creechville<br/>Zone<br/>Park Land<br/>Development</b> | <b>Employee<br/>Appreciation</b> | <b>Totals</b>       |
|-------------------------------------|--|-------------------------------|----------------------------|--------------------------|---------------------------|--|---|---|----------------------------------|---------------------|
| Cash and cash equivalents           | \$ 1,493,926   | \$ 2,114,639                  | \$ 8,030                   | \$ 13,257                | \$ 684                    | 119,000  | 112,395   | 221,664   | \$ 1,578                         | \$ 5,070,816        |
| Other receivables                   | 276,038  | 297,124                       | -                          | -                        | -                         | -  | -   | -   | -                                | 671,240             |
| Total assets                        | <u>\$ 1,769,964</u>                                      | <u>\$ 2,411,763</u>           | <u>\$ 8,030</u>            | <u>\$ 13,257</u>         | <u>\$ 684</u>             | <u>\$ 119,000</u>                              | <u>\$ 112,395</u>   | <u>\$ 221,664</u>   | <u>\$ 1,578</u>                  | <u>\$ 5,742,056</u> |
| <b>Liabilities</b>                  |  |                               |                            |                          |                           |  |   |   |                                  |                     |
| Accounts payable                    | \$ 363   | \$ 161,369                    | \$ -                       | \$ -                     | \$ -                      | \$ -   | \$ -  | \$ -  | \$ -                             | \$ 166,014          |
| Accrued payroll                     | -  | -                             | -                          | -                        | -                         | -  | -   | -   | -                                | 9,811               |
| Due to other funds                  | -  | -                             | -                          | -                        | -                         | -  | -   | -   | -                                | 15,279              |
| Total liabilities                   | <u>363</u>   | <u>161,369</u>                | <u>-</u>                   | <u>-</u>                 | <u>-</u>                  | <u>-</u>                                       | <u>-</u>  | <u>-</u>  | <u>-</u>                         | <u>191,104</u>      |
| <b>Fund Balance</b>                 |  |                               |                            |                          |                           |  |   |   |                                  |                     |
| <b>Restricted:</b>                  |  |                               |                            |                          |                           |  |   |   |                                  |                     |
| Cultural and recreation             | -  | -                             | -                          | -                        | 684                       | 119,000  | 112,395   | 221,664   | 1,578                            | 951,073             |
| Public safety                       | 1,769,601  | -                             | 8,030                      | 13,257                   | -                         | -  | -   | -   | -                                | 1,872,688           |
| Streets                             | -  | 2,250,394                     | -                          | -                        | -                         | -  | -   | -   | -                                | 2,250,394           |
| Tourism                             | -  | -                             | -                          | -                        | -                         | -  | -   | -   | -                                | 492,076             |
| <b>Unassigned (Deficit)</b>         | <u>-</u>   | <u>-</u>                      | <u>-</u>                   | <u>-</u>                 | <u>-</u>                  | <u>-</u>                                       | <u>-</u>  | <u>-</u>  | <u>-</u>                         | <u>(15,279)</u>     |
| Total fund balance                  | <u>1,769,601</u>   | <u>2,250,394</u>              | <u>8,030</u>               | <u>13,257</u>            | <u>684</u>                | <u>119,000</u>                                 | <u>112,395</u>  | <u>221,664</u>  | <u>1,578</u>                     | <u>5,550,952</u>    |
| Total liabilities and fund balances | <u>\$ 1,769,964</u>                                      | <u>\$ 2,411,763</u>           | <u>\$ 8,030</u>            | <u>\$ 13,257</u>         | <u>\$ 684</u>             | <u>\$ 119,000</u>                              | <u>\$ 112,395</u>   | <u>\$ 221,664</u>   | <u>\$ 1,578</u>                  | <u>\$ 5,742,056</u> |

**City of Ennis, Texas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For Fiscal Year Ended September 30, 2022**

| <b>Revenues</b>  | <b>Museum</b>   | <b>Forfeited<br/>Contraband</b> | <b>Law<br/>Enforcement<br/>Education</b> | <b>COPS<br/>More<br/>Grant</b> | <b>COE<br/>2010<br/>Trust<br/>Library</b> | <b>Tourism</b>    | <b>Court<br/>Technology</b> | <b>Court<br/>Security</b> |
|--|-----------------|---------------------------------|--|--------------------------------|---|-------------------|-----------------------------|---------------------------|
| Sales taxes  | \$ -            | \$ -                            | \$ -                                     | \$ -                           | \$ -                                      | \$ -              | \$ -                        | \$ -                      |
| Hotel occupancy taxes  | -               | -                               | -  | -                              | -   | 490,768           | -                           | -                         |
| Fines and forfeitures  | -               | -                               | -  | -                              | -   | -                 | 9,498                       | 5,673                     |
| Interest   | 18              | 155                             | 17                                       | -                              | 1,028                                     | 702               | -                           | 51                        |
| Miscellaneous  | 737             | -                               | -  | -                              | -   | 2,800             | -                           | -                         |
| Intergovernmental  | -               | -                               | 2,949                                    | -                              | -   | 0                 | -                           | -                         |
| Contributions and donations                                  | -               | -                               | -  | -                              | 4,985                                     | -                 | -                           | -                         |
| <b>Total revenues</b>  | <b>755</b>      | <b>155</b>                      | <b>2,966</b>                             | <b>-</b>                       | <b>6,013</b>                              | <b>494,270</b>    | <b>9,498</b>                | <b>5,724</b>              |
| <b>Expenditures</b>  |                 |                                 |  |                                |   |                   |                             |                           |
| Current:   |                 |                                 |  |                                |   |                   |                             |                           |
| General government   | -               | -                               | -  | -                              | -   | 322,386           | -                           | -                         |
| Public safety  | -               | 58,647                          | 473                                      | -                              | -   | -                 | -                           | -                         |
| Streets  | -               | -                               | -  | -                              | -   | -                 | -                           | -                         |
| Cultural and recreation                                      | 321             | -                               | -  | -                              | 10,936                                    | -                 | -                           | -                         |
| <b>Total expenditures</b>                                    | <b>321</b>      | <b>58,647</b>                   | <b>473</b>                               | <b>-</b>                       | <b>10,936</b>                             | <b>322,386</b>    | <b>-</b>                    | <b>-</b>                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | 434             | (58,492)                        | 2,493                                    | -                              | (4,923)                                   | 171,884           | 9,498                       | 5,724                     |
| <b>Other Financing Sources (Uses)</b>                        |                 |                                 |  |                                |   |                   |                             |                           |
| Transfers out  | -               | -                               | -  | -                              | -   | -                 | -                           | -                         |
| Sale of capital assets                                       | -               | 29,007                          | -  | -                              | -   | -                 | -                           | -                         |
| <b>Total other financing sources (uses)</b>                  | <b>-</b>        | <b>29,007</b>                   | <b>-</b>                                 | <b>-</b>                       | <b>-</b>                                  | <b>-</b>          | <b>-</b>                    | <b>-</b>                  |
| <b>Net Change in Fund Balances</b>                           | <b>434</b>      | <b>(29,485)</b>                 | <b>2,493</b>                             | <b>-</b>                       | <b>(4,923)</b>                            | <b>171,884</b>    | <b>9,498</b>                | <b>5,724</b>              |
| <b>Fund Balances, Beginning</b>                              | <b>8,180</b>    | <b>76,015</b>                   | <b>6,255</b>                             | <b>2</b>                       | <b>492,061</b>                            | <b>320,192</b>    | <b>(24,777)</b>             | <b>20,796</b>             |
| <b>Fund Balances, Ending</b>                                 | <b>\$ 8,614</b> | <b>\$ 46,530</b>                | <b>\$ 8,748</b>                          | <b>\$ 2</b>                    | <b>\$ 487,138</b>                         | <b>\$ 492,076</b> | <b>\$ (15,279)</b>          | <b>\$ 26,520</b>          |

**City of Ennis, Texas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds (Continued)**  
**For Fiscal Year Ended September 30, 2022**

| <b>Revenues</b>  | <b>Crime<br/>Control and<br/>Prevention<br/>District</b> | <b>Street<br/>Maintenance</b> | <b>Police<br/>Donation</b> | <b>Fire<br/>Donation</b> | <b>Parks<br/>Donation</b> | <b>Cardinals<br/>Park Land<br/>Development</b> | <b>Bluebonnet<br/>Estates Park<br/>Land<br/>Development</b> | <b>Creechville<br/>Zone<br/>Park Land<br/>Development</b> | <b>Employee<br/>Appreciation</b> | <b>Totals</b>       |
|--|--|-------------------------------|----------------------------|--------------------------|---------------------------|--|---|---|----------------------------------|---------------------|
| Sales taxes  | \$ 1,738,880   | \$ 1,796,847                  | \$ -                       | \$ -                     | \$ -                      | \$ -   | \$ -  | \$ -  | \$ -                             | \$ 3,535,727        |
| Hotel occupancy taxes  | -  | -                             | -                          | -                        | -                         | -  | -   | -   | -                                | 490,768             |
| Fines and forfeitures  | -  | -                             | -                          | -                        | -                         | -  | -   | -   | -                                | 15,171              |
| Interest   | 2,538  | -                             | 17                         | 29                       | 3                         | -  | -   | -   | 4                                | 4,562               |
| Miscellaneous  | -  | -                             | -                          | -                        | -                         | -  | -   | -   | -                                | 3,537               |
| Intergovernmental  | -  | -                             | -                          | -                        | -                         | -  | -   | -   | -                                | 2,949               |
| Contributions and donations                                  | -  | -                             | -                          | 3,600.00                 | 2,252                     | -  | -   | -   | -                                | 10,837              |
| <b>Total revenues</b>  | <b>1,741,418</b>   | <b>1,796,847</b>              | <b>17</b>                  | <b>3,629</b>             | <b>2,255</b>              | <b>-</b>                                       | <b>-</b>  | <b>-</b>  | <b>4</b>                         | <b>4,063,551</b>    |
| <b>Expenditures</b>  |  |                               |                            |                          |                           |  |   |   |                                  |                     |
| Current:   |  |                               |                            |                          |                           |  |   |   |                                  |                     |
| General government   | -  | -                             | -                          | -                        | -                         | -  | -   | -   | -                                | 322,386             |
| Public safety  | 29,711   | -                             | -                          | 570                      | -                         | -  | -   | -   | -                                | 89,401              |
| Streets  | -  | 440,692                       | -                          | -                        | -                         | -  | -   | -   | -                                | 440,692             |
| Cultural and recreation                                      | -  | -                             | -                          | -                        | 2,254                     | 1,000  | -   | -   | -                                | 14,511              |
| <b>Total expenditures</b>                                    | <b>29,711</b>  | <b>440,692</b>                | <b>-</b>                   | <b>570</b>               | <b>2,254</b>              | <b>1,000</b>                                   | <b>-</b>  | <b>-</b>  | <b>-</b>                         | <b>866,990</b>      |
| Excess (deficiency) of revenues<br>over (under) expenditures | 1,711,707  | 1,356,155                     | 17                         | 3,059                    | 1                         | (1,000)  | -   | -   | 4                                | 3,196,561           |
| <b>Other Financing Sources (Uses)</b>                        |  |                               |                            |                          |                           |  |   |   |                                  |                     |
| Transfers out  | (1,024,672)  | -                             | -                          | (2,685)                  | -                         | -  | -   | -   | -                                | (1,027,357)         |
| Sale of capital assets                                       | -  | -                             | -                          | -                        | -                         | -  | -   | -   | -                                | 29,007              |
| <b>Total other financing sources (uses)</b>                  | <b>(1,024,672)</b>                                       | <b>-</b>                      | <b>-</b>                   | <b>(2,685)</b>           | <b>-</b>                  | <b>-</b>                                       | <b>-</b>  | <b>-</b>  | <b>-</b>                         | <b>(998,350)</b>    |
| <b>Net Change in Fund Balances</b>                           | <b>687,035</b>   | <b>1,356,155</b>              | <b>17</b>                  | <b>374</b>               | <b>1</b>                  | <b>(1,000)</b>                                 | <b>-</b>  | <b>-</b>  | <b>4</b>                         | <b>2,198,211</b>    |
| <b>Fund Balances, Beginning</b>                              | <b>1,082,566</b>   | <b>894,239</b>                | <b>8,013</b>               | <b>12,883</b>            | <b>683</b>                | <b>120,000</b>                                 | <b>112,395</b>  | <b>221,664</b>  | <b>1,574</b>                     | <b>3,352,741</b>    |
| <b>Fund Balances, Ending</b>                                 | <b>\$ 1,769,601</b>                                      | <b>\$ 2,250,394</b>           | <b>\$ 8,030</b>            | <b>\$ 13,257</b>         | <b>\$ 684</b>             | <b>\$ 119,000</b>                              | <b>\$ 112,395</b>   | <b>\$ 221,664</b>   | <b>\$ 1,578</b>                  | <b>\$ 5,550,952</b> |

**City of Ennis, Texas**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**September 30, 2022**

| <b>Assets</b>                        | <b>Tax<br/>Increment<br/>Reinvestment<br/>Zone #1</b> | <b>Tax<br/>Increment<br/>Reinvestment<br/>Zone #2</b> | <b>Tax<br/>Increment<br/>Reinvestment<br/>Zone #3</b> | <b>Total</b>      |
|--------------------------------------|---|---|---|-------------------|
| Cash and cash equivalents            | \$ 627,025  | \$ 225,245  | \$ 67,715   | \$ 919,985        |
| Other receivables                    | 2,792   | 1,870   | 1,081   | 5,743             |
| Total assets                         | <u>629,817</u>  | <u>227,115</u>  | <u>68,796</u>   | <u>925,728</u>    |
| <b>Liabilities</b>                   |   |   |   |                   |
| Accounts payable                     | -   | -   | 46  | 46                |
| Total assets                         | <u>-</u>  | <u>-</u>  | <u>46</u>   | <u>46</u>         |
| <b>Deferred Inflows of Resources</b> |   |   |   |                   |
| Unavailable revenue – property taxes | <u>2,296</u>  | <u>1,538</u>  | <u>889</u>  | <u>4,723</u>      |
| Total deferred inflows of resources  | <u>2,296</u>  | <u>1,538</u>  | <u>889</u>  | <u>4,723</u>      |
| <b>Restricted</b>                    |   |   |   |                   |
| Capital projects                     | <u>627,521</u>  | <u>225,577</u>  | <u>67,861</u>   | <u>920,959</u>    |
| Total fund balance                   | <u>627,521</u>  | <u>225,577</u>  | <u>67,861</u>   | <u>920,959</u>    |
| Total liabilities and fund balance   | <u>\$ 627,521</u>                                     | <u>\$ 225,577</u>                                     | <u>\$ 67,907</u>                                      | <u>\$ 921,005</u> |



## City of Ennis, Texas

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

#### Nonmajor Capital Projects Funds

For the Fiscal Year Ended September 30, 2022

| <b>Revenues</b>  | <b>Tax<br/>Increment<br/>Reinvestment<br/>Zone #1</b> | <b>Tax<br/>Increment<br/>Reinvestment<br/>Zone #2</b> | <b>Tax<br/>Increment<br/>Reinvestment<br/>Zone #3</b> | <b>Total</b> |
|--|---|---|---|--------------|
| Property taxes   | \$ 183,485  | \$ 120,171  | \$ 70,749   | \$ 374,405   |
| Interest   | 1,188   | 439   | -   | 1,627        |
| Total revenues   | 184,673   | 120,610   | 70,749  | 376,032      |
| <br><b>Expenditures</b>                                      |   |   |   |              |
| Capital outlay:  |   |   |   |              |
| General government   | 524   | 54,250  | 2,888   | 57,662       |
| Total expenditures   | 524   | 54,250  | 2,888   | 57,662       |
| Excess (deficiency) of revenues<br>over (under) expenditures | 184,149   | 66,360  | 67,861  | 318,370      |
| <b>Net Change in Fund Balances</b>                           | 184,149   | 66,360  | 67,861  | 318,370      |
| <b>Fund Balances, Beginning</b>                              | 443,372   | 159,217   | -   | 602,589      |
| <b>Fund Balances, Ending</b>                                 | \$ 627,521  | \$ 225,577  | \$ 67,861   | \$ 920,959   |

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## **Debt Service Fund**

The debt service fund is used to account for the accumulation of resources for the payment of principal and interest on general long-term debt.

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**City of Ennis, Texas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Debt Service Fund**  
**For the Fiscal Year Ended September 30, 2022**

|  | Budgeted Amounts |              | Actual<br>Amounts | Variance with<br>Final Budget |
|--|------------------|--------------|-------------------|-------------------------------|
|  | Original         | Final        |                   |                               |
| <b>Revenues</b>  |                  |              |                   |                               |
| Property taxes   | \$ 6,034,790     | \$ 6,034,790 | \$ 5,937,487      | \$ (97,303)                   |
| Investment earnings  | 5,000            | 5,000        | 2,441             | (2,559)                       |
| Miscellaneous  | -                | -            | 61,751            | 61,751                        |
| Total revenues   | 6,039,790        | 6,039,790    | 6,001,679         | (38,111)                      |
| <b>Expenditures</b>  |                  |              |                   |                               |
| Principal retirement   | 4,355,000        | 4,355,000    | 4,355,000         | -                             |
| Interest and fiscal charges                                  | 2,269,724        | 2,269,724    | 2,274,702         | (4,978)                       |
| Total expenditures   | 6,624,724        | 6,624,724    | 6,629,702         | (4,978)                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | (584,934)        | (584,934)    | (628,023)         | (33,133)                      |
| <b>Other Financing Sources</b>                               |                  |              |                   |                               |
| Transfers in   | 697,438          | 697,438      | 697,438           | -                             |
| Total other financing sources                                | 697,438          | 697,438      | 697,438           | -                             |
| <b>Net Change in Fund Balance</b>                            | 112,504          | 112,504      | 69,415            | (33,133)                      |
| <b>Fund Balance, Beginning</b>                               | 36,182           | 36,182       | 36,182            | -                             |
| <b>Fund Balance, Ending</b>                                  | \$ 148,686       | \$ 148,686   | \$ 105,597        | \$ (33,133)                   |

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## **Proprietary Funds**

### **Nonmajor Enterprise Funds**

*Sanitation Fund* - This fund is used to account for the sanitation operations.

*Airport Fund* - This fund is used to account for the airport operations.

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**City of Ennis, Texas**  
**Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**September 30, 2022**

|  | <b>Business-type Activities - Enterprise</b> |                   |  |
|--|--|-------------------|--|
|  | <b>Sanitation</b>                            | <b>Airport</b>    | <b>Total Nonmajor<br/>Enterprise<br/>Funds</b> |
| <b>Assets</b>  |  |                   |  |
| <b>Current Assets</b>  |  |                   |  |
| Cash and cash equivalents  | \$ 442,486                                   | \$ -              | \$ 442,486                                     |
| Receivables (net of allowance for uncollectibles)  | 202,568                                      | -                 | 202,568  |
| Lease receivable   | 53,901                                       | -                 | 53,901   |
| Inventories  | -  | 28,295            | 28,295   |
| Total current assets   | <u>698,955</u>                               | <u>28,295</u>     | <u>727,250</u>                                 |
| <b>Noncurrent Assets</b>   |  |                   |  |
| Capital and leased assets (net, where applicable of accumulated depreciation/amortization) | <u>1,439,095</u>                             | <u>841,500</u>    | <u>2,280,595</u>                               |
| Total noncurrent assets  | <u>1,439,095</u>                             | <u>841,500</u>    | <u>2,280,595</u>                               |
| Total assets   | <u>2,138,050</u>                             | <u>869,795</u>    | <u>3,007,845</u>                               |
| <b>Deferred Outflows of Resources</b>  |  |                   |  |
| Deferred outflows of resources related to pension  | 159,194                                      | -                 | 159,194  |
| Deferred outflows of resources related to OPEB   | <u>17,324</u>                                | <u>-</u>          | <u>17,324</u>                                  |
| Total deferred outflows of resources   | <u>176,518</u>                               | <u>-</u>          | <u>176,518</u>                                 |
| <b>Liabilities</b>   |  |                   |  |
| <b>Current Liabilities</b>   |  |                   |  |
| Accounts payable   | 44,684                                       | 1,253             | 45,937   |
| Accrued payroll payable  | 31,951                                       | -                 | 31,951   |
| Due to other funds   | <u>-</u>                                     | <u>182,574</u>    | <u>182,574</u>                                 |
| Total current liabilities  | <u>76,635</u>                                | <u>183,827</u>    | <u>260,462</u>                                 |
| <b>Noncurrent Liabilities</b>  |  |                   |  |
| Net pension liability  | 141,335                                      | -                 | 141,335  |
| OPEB liability   | <u>42,920</u>                                | <u>-</u>          | <u>42,920</u>                                  |
| Total noncurrent liabilities   | <u>184,255</u>                               | <u>-</u>          | <u>184,255</u>                                 |
| Total liabilities  | <u>260,890</u>                               | <u>183,827</u>    | <u>444,717</u>                                 |
| <b>Deferred Inflows of Resources</b>   |  |                   |  |
| Deferred inflows of resources related to pension   | 257,210                                      | -                 | 257,210  |
| Deferred inflows of resources related to OPEB  | 13,238                                       | -                 | 13,238   |
| Deferred inflows of resources related to leases  | <u>53,300</u>                                | <u>-</u>          | <u>53,300</u>                                  |
| Total deferred inflows of resources  | <u>323,748</u>                               | <u>-</u>          | <u>323,748</u>                                 |
| <b>Net Position</b>  |  |                   |  |
| Net investment in capital assets   | 1,439,095                                    | 841,500           | 2,280,595                                      |
| Unrestricted (Deficit)   | <u>290,835</u>                               | <u>(155,532)</u>  | <u>135,303</u>                                 |
| Total net position   | <u>\$ 1,729,930</u>                          | <u>\$ 685,968</u> | <u>\$ 2,415,898</u>                            |

**City of Ennis, Texas**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Proprietary Funds**  
**For the Fiscal Year Ended September 30, 2022**

|  | <u>Business-type Activities – Enterprise</u> |                   | <u>Total Nonmajor<br/>Enterprise<br/>Funds</u> |
|--|--|-------------------|--|
|  | <u>Sanitation</u>                            | <u>Airport</u>    |  |
| <b>Operating Revenues</b>              |  |                   |  |
| Sanitation revenue                     | \$ 1,696,214                                 | \$ -              | \$ 1,696,214                                   |
| Airport revenue                        | -  | 205,447           | 205,447  |
|  | <u>1,696,214</u>                             | <u>205,447</u>    | <u>1,901,661</u>                               |
| <b>Operating Expenses</b>              |  |                   |  |
| Personnel                              | 662,819                                      | -                 | 662,819  |
| Supplies                               | 100,996                                      | 184,385           | 285,381  |
| Maintenance and replacement            | 81,115                                       | 8,709             | 89,824   |
| Miscellaneous services                 | 172,443                                      | 22,844            | 195,287  |
| Depreciation and amortization          | 331,202                                      | 2,093             | 333,295  |
|  | <u>1,348,575</u>                             | <u>218,031</u>    | <u>1,566,606</u>                               |
| Total operating expenses               | <u>1,348,575</u>                             | <u>218,031</u>    | <u>1,566,606</u>                               |
| Operating income (loss)                | <u>347,639</u>                               | <u>(12,584)</u>   | <u>335,055</u>                                 |
| <b>Nonoperating Revenue (Expenses)</b> |  |                   |  |
| Interest income                        | 1,635  | -                 | 1,635  |
| Gain (loss) on disposal of property    | 23,625                                       | -                 | 23,625   |
| Intergovernmental revenue              | -  | 53,989            | 53,989   |
|  | <u>25,260</u>                                | <u>53,989</u>     | <u>79,249</u>                                  |
| Total nonoperating revenue (expenses)  | <u>25,260</u>                                | <u>53,989</u>     | <u>79,249</u>                                  |
| Income before transfers                | 372,899                                      | 41,405            | 414,304  |
| Transfer in                            | 125,304                                      | -                 | 125,304  |
| Transfer out                           | (193,018)                                    | -                 | (193,018)                                      |
|  | <u>305,185</u>                               | <u>41,405</u>     | <u>346,590</u>                                 |
| Change in net position                 | <u>305,185</u>                               | <u>41,405</u>     | <u>346,590</u>                                 |
| <b>Net Position, Beginning</b>         | <u>1,424,745</u>                             | <u>644,563</u>    | <u>2,069,308</u>                               |
| <b>Net Position, Ending</b>            | <u>\$ 1,729,930</u>                          | <u>\$ 685,968</u> | <u>\$ 2,415,898</u>                            |

**City of Ennis, Texas**  
**Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**For Fiscal Year Ended September 30, 2022**

|  | <b>Business-type Activities – Enterprise</b> |                    |  |
|--|--|--------------------|--|
|  | <b>Sanitation</b>                            | <b>Airport</b>     | <b>Total Nonmajor<br/>Enterprise<br/>Funds</b> |
| <b>Cash Flows From Operating Activities</b>  |  |                    |  |
| Receipts from customers  | \$ 1,677,192                                 | \$ 205,447         | \$ 1,882,639                                   |
| Payments to suppliers and service providers  | (355,599)                                    | (220,523)          | (576,122)                                      |
| Payments to employees for salaries and benefits  | (770,090)                                    | -                  | (770,090)                                      |
|  | <u>551,503</u>                               | <u>(15,076)</u>    | <u>536,427</u>                                 |
| <b>Net cash provided by (used for) operating activities</b>  |  |                    |  |
| <b>Cash Flows From Noncapital Financing Activities</b>   |  |                    |  |
| Operating grants   | -  | 53,989             | 53,989   |
| Transfers to other funds   | -  | (38,913)           | (38,913)                                       |
| Transfers from other funds   | (67,714)                                     | -                  | (67,714)                                       |
|  | <u>(67,714)</u>                              | <u>15,076</u>      | <u>(52,638)</u>                                |
| <b>Net cash provided by (used for) noncapital financing activities</b>                                       |  |                    |  |
| <b>Cash Flows From Capital And Related Financing Activities</b>  |  |                    |  |
| Sale of capital assets   | 23,625                                       | -                  | 23,625   |
| Acquisition and construction of capital assets   | (125,304)                                    | -                  | (125,304)                                      |
| Interest income  | 1,635  | -                  | 1,635  |
|  | <u>(100,044)</u>                             | <u>-</u>           | <u>(100,044)</u>                               |
| <b>Net cash used for capital and related financing activities</b>  |  |                    |  |
| Net increase in cash and cash equivalents  | 383,745                                      | -                  | 383,745  |
| Cash and cash equivalents October 1  | 58,741                                       | -                  | 58,741   |
| Cash and cash equivalents September 30   | <u>\$ 442,486</u>                            | <u>\$ -</u>        | <u>\$ 442,486</u>                              |
| <b>Reconciliation of Operating Income to Net Cash<br/>Provided by (Used for) Operating Activities</b>        |  |                    |  |
| Operating income (loss)  | \$ 347,639                                   | \$ (12,584)        | \$ 335,055                                     |
| Adjustments to reconcile operating income (loss) to net cash<br>provided by (used for) operating activities: |  |                    |  |
| Depreciation and amortization  | 331,202                                      | 2,093              | 333,295  |
| (Increase) decrease in accounts receivable   | (19,022)                                     | -                  | (19,022)                                       |
| (Increase) decrease in pension related deferred outflows   | (78,740)                                     | -                  | (78,740)                                       |
| (Increase) decrease in OPEB related deferred outflows  | 2,568  | -                  | 2,568  |
| Increase (decrease) in accounts payable  | (1,045)                                      | (4,585)            | (5,630)  |
| Increase (decrease) in accrued payroll payable   | (15,662)                                     | -                  | (15,662)                                       |
| Increase (decrease) in pension related deferred inflows  | 137,251                                      | -                  | 137,251  |
| Increase (decrease) in OPEB related deferred inflows   | (2,148)                                      | -                  | (2,148)  |
| Increase (decrease) in net pension liability   | (152,686)                                    | -                  | (152,686)                                      |
| Increase (decrease) in OPEB liability  | 2,146  | -                  | 2,146  |
|  | <u>203,864</u>                               | <u>(2,492)</u>     | <u>201,372</u>                                 |
| Total adjustments  |  |                    |  |
| Net cash provided by (used for) operating activities   | <u>\$ 551,503</u>                            | <u>\$ (15,076)</u> | <u>\$ 536,427</u>                              |

**City of Ennis, Texas**  
**Schedule of Operating Revenues and Operating Expenses**  
**Budget and Actual**  
**Enterprise Fund - Utility**  
**For the Fiscal Year Ended September 30, 2022**

|   | <u>Budgeted Amounts</u> |                      | <b>Actual</b>               | <b>Variance with</b><br><b>Final Budget</b> |
|---|-------------------------|----------------------|-----------------------------|---|
|   | <b>Original</b>         | <b>Final</b>         | <b>GAAP</b><br><b>Basis</b> |   |
| <b>Water Operating Revenues</b>                               |                         |                      |                             |   |
| Water sales   | \$ 6,445,358            | \$ 6,445,358         | \$ 6,434,514                | \$ (10,844)                                 |
| Water taps and connections                                    | 141,000                 | 141,000              | 225,772                     | 84,772                                      |
| Penalties   | 145,161                 | 145,161              | 154,417                     | 9,256                                       |
| Reconnection charges  | 25,000                  | 25,000               | 39,115                      | 14,115                                      |
| Miscellaneous   | 150,000                 | 150,000              | 427,031                     | 277,031                                     |
|   | <u>6,906,519</u>        | <u>6,906,519</u>     | <u>7,280,849</u>            | <u>374,330</u>                              |
| <b>Sewer Operating Revenues</b>                               |                         |                      |                             |   |
| Sewer service charge  | 4,562,066               | 4,562,066            | 4,621,822                   | 59,756                                      |
| Sewer taps and connection                                     | 8,850                   | 8,850                | 12,029                      | 3,179                                       |
| EPA fees  | 60,000                  | 60,000               | 25,436                      | (34,564)                                    |
|   | <u>4,630,916</u>        | <u>4,630,916</u>     | <u>4,659,287</u>            | <u>28,371</u>                               |
| Total operating revenues                                      | <u>\$ 11,537,435</u>    | <u>\$ 11,537,435</u> | <u>\$ 11,940,136</u>        | <u>\$ 402,701</u>                           |
| <b>Operating Expenses</b>                                     |                         |                      |                             |   |
| Administration:   |                         |                      |                             |   |
| Personnel   | \$ 285,889              | \$ 285,889           | \$ 321,389                  | \$ (35,500)                                 |
| Supplies  | 16,090                  | 25,665               | 24,927                      | 738   |
| Maintenance and replacement                                   | 6,500                   | 6,500                | 2,622                       | 3,878                                       |
| Miscellaneous services  | 117,620                 | 117,620              | 141,549                     | (23,929)                                    |
| Capital Outlay  | -                       | -                    | -                           | -   |
|   | <u>426,099</u>          | <u>435,674</u>       | <u>490,487</u>              | <u>(54,813)</u>                             |
| Water operations:   |                         |                      |                             |   |
| Personnel   | 1,585,513               | 1,585,513            | 1,524,369                   | 61,144                                      |
| Supplies  | 976,800                 | 976,800              | 1,220,526                   | (243,726)                                   |
| Maintenance and replacement                                   | 542,164                 | 542,164              | 631,254                     | (89,090)                                    |
| Miscellaneous services  | 313,050                 | 313,050              | 381,393                     | (68,343)                                    |
| Capital outlay  | -                       | -                    | -                           | -   |
|   | <u>3,417,527</u>        | <u>3,417,527</u>     | <u>3,757,540</u>            | <u>(340,014)</u>                            |
| Sewer operations:   |                         |                      |                             |   |
| Personnel   | 1,205,634               | 1,205,634            | 1,254,682                   | (49,048)                                    |
| Supplies  | 314,225                 | 314,225              | 345,833                     | (31,608)                                    |
| Maintenance and replacement                                   | 348,464                 | 430,859              | 560,358                     | (129,499)                                   |
| Miscellaneous services  | 483,000                 | 682,811              | 680,428                     | 2,383                                       |
| Capital outlay  | -                       | -                    | -                           | -   |
|   | <u>2,351,323</u>        | <u>2,633,529</u>     | <u>2,841,301</u>            | <u>(207,772)</u>                            |
| Total operating expenses before depreciation and amortization | 6,194,948               | 6,486,729            | 7,089,328                   | (602,599)                                   |
| Depreciation and amortization                                 | -                       | -                    | 3,395,542                   | (3,395,542)                                 |
| Total operating expenses                                      | <u>\$ 6,194,948</u>     | <u>\$ 6,486,729</u>  | <u>\$ 10,484,870</u>        | <u>\$ (3,998,141)</u>                       |

**City of Ennis, Texas**  
**Schedule of Operating Revenues and Operating Expenses**  
**Budget and Actual**  
**Enterprise Fund - Sanitation**  
**For the Fiscal Year Ended September 30, 2022**

|   | <u>Budgeted Amounts</u> |                     | <b>Actual<br/>GAAP<br/>Basis</b> | <b>Variance with<br/>Final Budget</b> |
|---|-------------------------|---------------------|----------------------------------|---------------------------------------|
|   | <u>Original</u>         | <u>Final</u>        |                                  |                                       |
| <b>Operating Revenues</b>                                     |                         |                     |                                  |                                       |
| Sanitation revenues   | \$ 1,535,283            | \$ 1,535,283        | \$ 1,696,214                     | \$ 160,931                            |
| Miscellaneous   | 21,763                  | 21,763              | -                                | (21,763)                              |
|   | <u>\$ 1,557,046</u>     | <u>\$ 1,557,046</u> | <u>\$ 1,696,214</u>              | <u>\$ 139,168</u>                     |
| <b>Operating Expenses</b>                                     |                         |                     |                                  |                                       |
| Sanitation  |                         |                     |                                  |                                       |
| Personnel   | \$ 878,825              | \$ 878,825          | \$ 662,819                       | \$ 216,006                            |
| Supplies  | 67,362                  | 67,362              | 100,996                          | (33,634)                              |
| Maintenance and replacement                                   | 63,000                  | 63,000              | 81,115                           | (18,115)                              |
| Miscellaneous services  | 98,100                  | 98,100              | 172,443                          | (74,343)                              |
|   | <u>1,107,287</u>        | <u>1,107,287</u>    | <u>1,017,373</u>                 | <u>89,914</u>                         |
| Total operating expenses before depreciation and amortization | 1,107,287               | 1,107,287           | 1,017,373                        | 89,914                                |
| Depreciation and amortization                                 | <u>-</u>                | <u>-</u>            | <u>331,202</u>                   | <u>(331,202)</u>                      |
| Total operating expense                                       | <u>\$ 1,107,287</u>     | <u>\$ 1,107,287</u> | <u>\$ 1,348,575</u>              | <u>\$ (241,288)</u>                   |

**City of Ennis, Texas**  
**Schedule of Operating Revenues and Operating Expenses**  
**Budget and Actual**  
**Enterprise Fund - Airport**  
**For the Fiscal Year Ended September 30, 2022**

|   | <u>Budgeted Amounts</u> |                   | <b>Actual<br/>GAAP<br/>Basis</b> | <b>Variance with<br/>Final Budget</b> |
|---|-------------------------|-------------------|----------------------------------|---------------------------------------|
|   | <u>Original</u>         | <u>Final</u>      |                                  |                                       |
| <b>Operating Revenues</b>                                     |                         |                   |                                  |                                       |
| Airport revenues  | \$ 120,000              | \$ 120,000        | \$ 205,447                       | \$ 85,447                             |
| Miscellaneous   | 59,200                  | 59,200            | -                                | (59,200)                              |
|   | <u>\$ 179,200</u>       | <u>\$ 179,200</u> | <u>\$ 205,447</u>                | <u>\$ 26,247</u>                      |
| <b>Operating Expenses</b>                                     |                         |                   |                                  |                                       |
| Airport:  |                         |                   |                                  |                                       |
| Supplies  | \$ 123,000              | \$ 123,000        | \$ 184,385                       | \$ (61,385)                           |
| Maintenance and replacement                                   | 17,500                  | 17,500            | 8,709                            | 8,791                                 |
| Miscellaneous services  | 20,400                  | 20,400            | 22,844                           | (2,444)                               |
|   | <u>160,900</u>          | <u>160,900</u>    | <u>215,938</u>                   | <u>(55,038)</u>                       |
| Total operating expenses before depreciation and amortization |                         |                   |                                  |                                       |
|   | 160,900                 | 160,900           | 215,938                          | (55,038)                              |
| Depreciation and amortization                                 | <u>-</u>                | <u>-</u>          | <u>2,093</u>                     | <u>(2,093)</u>                        |
| Total operating expenses                                      | <u>\$ 160,900</u>       | <u>\$ 160,900</u> | <u>\$ 218,031</u>                | <u>\$ (57,131)</u>                    |

## **Statistical Section**

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# City of Ennis, Texas

## Table Descriptions

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

### Contents Pages

|  |                |
|--|----------------|
| <b>Financial Trends</b>  | <b>93-97</b>   |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.  |                |
| <b>Revenue Capacity</b>  | <b>98-101</b>  |
| These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.   |                |
| <b>Debt Capacity</b>   | <b>102-105</b> |
| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.                                    |                |
| <b>Demographic and Economic Information</b>  | <b>106-108</b> |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments. |                |
| <b>Operating Information</b>   | <b>109-111</b> |
| These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.         |                |

**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**City of Ennis, Texas**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

|   | Fiscal Year          |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 2013                 | 2014                 | 2015                 | 2016                 |
| <b>Governmental Activities</b>              |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 27,753,892        | \$ 27,768,206        | \$ 27,488,955        | \$ 28,345,988        |
| Restricted                                  | 1,380,264            | 1,378,049            | 2,392,432            | 3,470,822            |
| Unrestricted                                | 1,508,347            | 2,883,184            | 451,345              | (38,762)             |
| Total governmental activities net position  | <u>\$ 30,642,503</u> | <u>\$ 32,029,439</u> | <u>\$ 30,332,732</u> | <u>\$ 31,778,048</u> |
| <b>Business-type Activities</b>             |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 22,522,216        | \$ 22,632,356        | \$ 22,776,396        | \$ 23,387,335        |
| Restricted                                  | 583,984              | 600,548              | -                    | -                    |
| Unrestricted                                | 3,532,258            | 2,946,577            | 2,213,968            | 2,328,080            |
| Total business-type activities net position | <u>\$ 26,638,458</u> | <u>\$ 26,179,481</u> | <u>\$ 24,990,364</u> | <u>\$ 25,715,415</u> |
| <b>Primary Government</b>                   |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 50,276,108        | \$ 50,400,562        | \$ 50,265,351        | \$ 51,733,323        |
| Restricted                                  | 1,964,248            | 1,978,597            | 2,392,432            | 3,470,822            |
| Unrestricted                                | 5,040,605            | 5,829,761            | 2,665,313            | 2,289,318            |
| Total primary government net position       | <u>\$ 57,280,961</u> | <u>\$ 58,208,920</u> | <u>\$ 55,323,096</u> | <u>\$ 57,493,463</u> |

**Source:** Annual Comprehensive Financial Report

**Note:** The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior years have not been restated for the effects of this standard.

| <b>Fiscal Year</b>   |                      |                      |                      |                      |                       |
|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>2017</b>          | <b>2018</b>          | <b>2019</b>          | <b>2020</b>          | <b>2021</b>          | <b>2022</b>           |
| \$ 30,870,870        | \$ 29,095,218        | \$ 28,875,948        | \$ 25,918,970        | \$ 28,463,890        | \$ 29,775,266         |
| 4,423,202            | 4,037,124            | 2,136,186            | 4,311,693            | 4,209,037            | 12,505,972            |
| <u>(3,109,063)</u>   | <u>(675,895)</u>     | <u>105,591</u>       | <u>76,134</u>        | <u>12,733,099</u>    | <u>17,779,279</u>     |
| <u>\$ 32,185,009</u> | <u>\$ 32,456,447</u> | <u>\$ 31,117,725</u> | <u>\$ 30,306,797</u> | <u>\$ 45,406,026</u> | <u>\$ 60,060,517</u>  |
| <br>                 |                      |                      |                      |                      |                       |
| \$ 23,918,285        | \$ 25,043,255        | \$ 29,033,174        | \$ 32,807,774        | \$ 38,282,575        | \$ 40,714,128         |
| -                    | -                    | -                    | -                    | -                    | -                     |
| <u>2,215,764</u>     | <u>2,930,528</u>     | <u>2,568,272</u>     | <u>1,553,060</u>     | <u>1,859,703</u>     | <u>3,053,127</u>      |
| <u>\$ 26,134,049</u> | <u>\$ 27,973,783</u> | <u>\$ 31,601,446</u> | <u>\$ 34,360,834</u> | <u>\$ 40,142,278</u> | <u>\$ 43,767,255</u>  |
| <br>                 |                      |                      |                      |                      |                       |
| \$ 54,789,155        | \$ 54,138,473        | \$ 57,909,122        | \$ 58,726,744        | \$ 66,746,465        | \$ 70,489,394         |
| 4,423,202            | 4,037,124            | 2,136,186            | 4,311,693            | 4,209,037            | 12,505,972            |
| <u>(893,299)</u>     | <u>2,254,633</u>     | <u>2,673,863</u>     | <u>1,629,194</u>     | <u>14,592,802</u>    | <u>20,832,406</u>     |
| <u>\$ 58,319,058</u> | <u>\$ 60,430,230</u> | <u>\$ 62,719,171</u> | <u>\$ 64,667,631</u> | <u>\$ 85,548,304</u> | <u>\$ 103,827,772</u> |

**City of Ennis, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

|                                    | Fiscal Year            |                        |                        |                        |
|------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                    | 2013                   | 2014                   | 2015                   | 2016                   |
| <b>Expenses</b>                    |                        |                        |                        |                        |
| Governmental activities:           |                        |                        |                        |                        |
| General government                 | \$ 983,979             | \$ 1,103,543           | \$ 2,009,993           | \$ 2,493,478           |
| Public Safety                      | 7,701,614              | 7,980,862              | 8,355,627              | 9,328,294              |
| Streets                            | 4,989,549              | 2,253,495              | 2,210,989              | 2,703,513              |
| Health                             | 368,048                | 375,297                | 384,148                | 334,096                |
| Equipment services                 | 125,256                | 140,749                | 253,835                | 330,555                |
| Cultural and recreational          | 1,160,194              | 1,222,311              | 1,270,123              | 1,278,502              |
| Airport                            | 126,414                | 194,828                | 169,804                | 148,531                |
| Hospital                           | 1,229,356              | 1,229,356              | 1,229,356              | 1,229,321              |
| Public works                       | 74,953                 | 90,114                 | 179,270                | 363,013                |
| Sanitation services                | 1,034,298              | 1,011,691              | -                      | -                      |
| Interest on long-term debt         | 944,094                | 1,051,856              | 832,587                | 965,000                |
| Total governmental activities      | <u>18,737,755</u>      | <u>16,654,102</u>      | <u>16,895,732</u>      | <u>19,174,303</u>      |
| Business-type activities:          |                        |                        |                        |                        |
| Utility                            | 7,947,271              | 8,177,866              | 7,375,025              | 7,840,074              |
| Sanitation                         | -                      | -                      | 1,060,622              | 1,153,513              |
| Airport                            | -                      | -                      | -                      | -                      |
| Total business-type activities     | <u>7,947,271</u>       | <u>8,177,866</u>       | <u>8,435,647</u>       | <u>8,993,587</u>       |
| Total expenses                     | <u>\$ 26,685,026</u>   | <u>\$ 24,831,968</u>   | <u>\$ 25,331,379</u>   | <u>\$ 28,167,890</u>   |
| <b>Program Revenues</b>            |                        |                        |                        |                        |
| Governmental activities:           |                        |                        |                        |                        |
| Charges for services:              |                        |                        |                        |                        |
| General government                 | \$ 140,632             | \$ 144,941             | \$ 222,213             | \$ 308,178             |
| Public safety                      | 664,705                | 744,872                | 611,883                | 763,986                |
| Airport                            | 117,162                | 149,848                | 77,164                 | 35,236                 |
| Health                             | -                      | -                      | -                      | -                      |
| Cultural and recreational          | 19,822                 | 19,385                 | 20,603                 | 19,920                 |
| Hospital                           | 544,893                | 544,893                | 544,893                | 544,893                |
| Public Works                       | 13,400                 | 21,917                 | 8,958                  | 3,677                  |
| Sanitation services                | 886,476                | 897,447                | -                      | -                      |
| Operating grants and contributions | 5,861                  | 12,013                 | 247,955                | 458,596                |
| Capital grants and contributions   | 150,873                | -                      | 12,037                 | 270,773                |
| Total governmental activities      | <u>2,543,824</u>       | <u>2,535,316</u>       | <u>1,745,706</u>       | <u>2,405,259</u>       |
| Business-type activities:          |                        |                        |                        |                        |
| Charges for services:              |                        |                        |                        |                        |
| Utility                            | 7,755,532              | 7,684,522              | 8,154,106              | 8,617,166              |
| Sanitation                         | -                      | -                      | 970,323                | 1,112,661              |
| Airport                            | -                      | -                      | -                      | -                      |
| Operating grants and contributions | -                      | -                      | -                      | -                      |
| Capital grants and contributions   | -                      | -                      | -                      | 702,809                |
| Total business-type activities     | <u>7,755,532</u>       | <u>7,684,522</u>       | <u>9,124,429</u>       | <u>10,432,636</u>      |
| Total program revenues             | <u>\$ 10,299,356</u>   | <u>\$ 10,219,838</u>   | <u>\$ 10,870,135</u>   | <u>\$ 12,837,895</u>   |
| Net (expense)/revenue              |                        |                        |                        |                        |
| Government activities              | \$ (16,193,931)        | \$ (14,118,786)        | \$ (15,150,026)        | \$ (16,769,044)        |
| Business-type activities           | <u>(191,739)</u>       | <u>(493,344)</u>       | <u>688,782</u>         | <u>1,439,049</u>       |
| Total net expense                  | <u>\$ (16,385,670)</u> | <u>\$ (14,612,130)</u> | <u>\$ (14,461,244)</u> | <u>\$ (15,329,995)</u> |

| Fiscal Year            |                        |                        |                        |                       |                        |  |
|------------------------|------------------------|------------------------|------------------------|-----------------------|------------------------|--|
| 2017                   | 2018                   | 2019                   | 2020                   | 2021                  | 2022                   |  |
| \$ 3,484,434           | \$ 3,052,597           | \$ 3,323,582           | \$ 9,654,303           | \$ 4,377,857          | \$ 5,118,335           |  |
| 11,271,841             | 10,408,224             | 10,731,634             | 12,703,761             | 13,037,988            | 13,714,222             |  |
| 3,259,684              | 4,793,071              | 3,805,200              | 2,990,759              | 3,491,357             | 3,930,028              |  |
| 449,742                | 502,639                | 14,151,551             | 103,997,142            | 145,722,694           | 218,194,521            |  |
| 343,313                | 318,197                | 405,495                | 401,137                | 315,210               | 344,990                |  |
| 1,710,782              | 1,540,188              | 1,696,613              | 1,908,687              | 1,823,078             | 2,103,452              |  |
| 288,471                | 359,718                | -                      | -                      | -                     | -                      |  |
| 1,223,582              | 1,160,052              | 1,160,052              | -                      | -                     | 1,128,807              |  |
| 372,854                | 362,099                | 869,278                | 557,302                | 585,827               | 645,638                |  |
| -                      | -                      | -                      | -                      | -                     | -                      |  |
| 930,610                | 897,132                | 1,818,008              | 2,381,383              | 2,503,864             | 2,637,086              |  |
| <u>23,335,313</u>      | <u>23,393,917</u>      | <u>37,961,413</u>      | <u>134,594,474</u>     | <u>171,857,875</u>    | <u>247,817,079</u>     |  |
| 8,061,956              | 8,831,650              | 8,199,645              | 9,259,784              | 10,040,237            | 11,200,785             |  |
| 1,122,815              | 1,182,579              | 1,180,725              | 1,299,928              | 1,479,244             | 1,348,575              |  |
| -                      | -                      | 165,814                | 108,390                | 178,865               | 218,031                |  |
| <u>9,184,771</u>       | <u>10,014,229</u>      | <u>9,546,184</u>       | <u>10,668,103</u>      | <u>11,698,346</u>     | <u>12,767,391</u>      |  |
| <u>\$ 32,520,084</u>   | <u>\$ 33,408,146</u>   | <u>\$ 47,507,597</u>   | <u>\$ 145,262,577</u>  | <u>\$ 183,556,221</u> | <u>\$ 260,584,470</u>  |  |
| \$ 367,645             | \$ 692,179             | \$ 500,257             | \$ 797,022             | \$ 632,746            | \$ 603,801             |  |
| 700,651                | 721,657                | 556,997                | 887,422                | 704,513               | 672,285                |  |
| 46,633                 | 101,059                | -                      | -                      | -                     | -                      |  |
| -                      | -                      | 11,915,091             | 98,995,577             | 146,088,938           | 221,493,714            |  |
| 15,151                 | 25,080                 | 65,684                 | 104,649                | 83,080                | 79,279                 |  |
| 544,893                | 544,893                | 544,893                | 868,138                | 689,203               | 657,675                |  |
| 5,327                  | 3,870                  | 450                    | -                      | -                     | -                      |  |
| -                      | -                      | -                      | -                      | -                     | -                      |  |
| 472,921                | 2,070,536              | 1,180,486              | 3,395,699              | 5,034,089             | 2,861,286              |  |
| 1,345,067              | 11,596                 | 466,874                | 3,562,566              | 3,070,891             | 3,462,565              |  |
| <u>3,498,288</u>       | <u>4,170,870</u>       | <u>15,230,732</u>      | <u>108,611,073</u>     | <u>156,303,460</u>    | <u>229,830,605</u>     |  |
| 9,364,187              | 10,364,129             | 10,263,373             | 10,944,643             | 11,214,672            | 11,977,175             |  |
| 1,509,792              | 1,511,592              | 1,481,012              | 1,555,371              | 1,582,003             | 1,696,214              |  |
| -                      | -                      | 141,230                | 98,014                 | 161,851               | 205,447                |  |
| -                      | -                      | 19,970                 | -                      | -                     | 53,989                 |  |
| 129,639                | -                      | 52,824                 | 3,261,807              | 4,648,631             | 2,052,038              |  |
| <u>11,003,618</u>      | <u>11,875,721</u>      | <u>11,958,409</u>      | <u>15,859,835</u>      | <u>17,607,157</u>     | <u>15,984,863</u>      |  |
| <u>\$ 14,501,906</u>   | <u>\$ 16,046,591</u>   | <u>\$ 27,189,141</u>   | <u>\$ 124,470,908</u>  | <u>\$ 173,910,617</u> | <u>\$ 245,815,468</u>  |  |
| \$ (19,837,025)        | \$ (19,223,047)        | \$ (22,730,681)        | \$ (25,983,401)        | \$ (15,554,415)       | \$ (17,986,474)        |  |
| 1,818,847              | 1,861,492              | 2,412,225              | 5,191,732              | 5,908,811             | 3,217,472              |  |
| <u>\$ (18,018,178)</u> | <u>\$ (17,361,555)</u> | <u>\$ (20,318,456)</u> | <u>\$ (20,791,669)</u> | <u>\$ (9,645,604)</u> | <u>\$ (14,769,002)</u> |  |

**City of Ennis, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years (Continued)**  
**(Accrual Basis of Accounting)**

|                                       | Fiscal Year           |                      |                      |                      |
|---------------------------------------|-----------------------|----------------------|----------------------|----------------------|
|                                       | 2013                  | 2014                 | 2015                 | 2016                 |
| <b>General Revenues</b>               |                       |                      |                      |                      |
| Governmental activities:              |                       |                      |                      |                      |
| Property taxes                        | \$ 10,006,830         | \$ 9,909,883         | \$ 9,893,516         | \$ 10,005,334        |
| Sales taxes                           | 2,753,904             | 2,979,576            | 3,782,774            | 5,018,180            |
| Franchise taxes                       | 1,529,513             | 1,622,886            | 1,606,673            | 1,550,923            |
| Hotel occupancy taxes                 | 248,450               | 270,869              | 309,009              | 344,126              |
| Alcoholic beverage taxes              | 27,836                | 34,385               | 38,206               | 43,442               |
| Unrestricted grants and contributions | 117,842               | 120,200              | 118,200              | 116,000              |
| Investment earnings                   | 299,994               | 330,224              | 273,786              | 283,228              |
| Gain on sale of capital assets        | -                     | -                    | -                    | -                    |
| Miscellaneous                         | 88,915                | 237,699              | 163,812              | 107,252              |
| Transfers                             | -                     | -                    | 1,191,451            | 745,875              |
| Total governmental activities         | <u>15,073,284</u>     | <u>15,505,722</u>    | <u>17,377,427</u>    | <u>18,214,360</u>    |
| Business-type activities:             |                       |                      |                      |                      |
| Unrestricted grants and contributions | -                     | -                    | -                    | -                    |
| Investment on earnings                | 31,828                | 34,367               | 23,463               | 31,877               |
| Gain on sale of capital assets        | -                     | -                    | -                    | -                    |
| Miscellaneous                         | 206,058               | -                    | -                    | -                    |
| Transfers                             | -                     | -                    | (1,191,451)          | (745,875)            |
| Total business-type activities        | <u>237,886</u>        | <u>34,367</u>        | <u>(1,167,988)</u>   | <u>(713,998)</u>     |
| Total primary government              | <u>\$ 15,311,170</u>  | <u>\$ 15,540,089</u> | <u>\$ 16,209,439</u> | <u>\$ 17,500,362</u> |
| <b>Change in Net Position</b>         |                       |                      |                      |                      |
| Governmental activities               | \$ (1,120,647)        | \$ 1,386,936         | \$ 2,227,401         | \$ 1,445,316         |
| Business-type activities              | 46,147                | (458,977)            | (479,206)            | 725,051              |
| Total change in net position          | <u>\$ (1,074,500)</u> | <u>\$ 927,959</u>    | <u>\$ 1,748,195</u>  | <u>\$ 2,170,367</u>  |

**Source:** Annual Comprehensive Financial Report

**Note 1:** The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior years have not been restated for the effects of this standard.

**Note 2:** In 2015, the City transferred the sanitation services from governmental activities to business-type activities.

**Note 3:** In 2019, the City transferred the airport services from governmental activities to business-type activities.

| <b>Fiscal Year</b>   |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>2017</b>          | <b>2018</b>          | <b>2019</b>          | <b>2020</b>          | <b>2021</b>          | <b>2022</b>          |
| \$ 10,957,007        | \$ 11,290,108        | \$ 11,865,422        | \$ 14,185,118        | \$ 15,124,636        | \$ 15,820,591        |
| 5,332,377            | 5,404,232            | 5,324,306            | 6,280,797            | 7,585,464            | 10,771,085           |
| 1,629,324            | 1,647,872            | 1,494,793            | 1,640,222            | 1,694,133            | 1,933,079            |
| 346,010              | 389,228              | 391,787              | 231,856              | 516,155              | 490,768              |
| 42,885               | 46,153               | 52,512               | 49,051               | 77,564               | 76,540               |
| 118,550              | 121,200              | -                    | -                    | -                    | -                    |
| 131,188              | 146,149              | 391,289              | 257,103              | 153,933              | 93,741               |
| 16,400               | 112,907              | 14,800               | -                    | -                    | -                    |
| 211,749              | 507,296              | 403,138              | 11,767               | 605,402              | 885,177              |
| 1,458,496            | (97,570)             | 203,424              | 2,516,559            | 170,161              | 2,569,984            |
| <u>20,243,986</u>    | <u>19,567,575</u>    | <u>20,141,471</u>    | <u>25,172,473</u>    | <u>25,927,448</u>    | <u>32,640,965</u>    |
| -                    | -                    | -                    | -                    | -                    | 2,772,566            |
| 7,324                | 30,040               | 169,245              | 79,097               | 38,460               | 91,511               |
| 50,959               | (47,914)             | -                    | 5,117                | 4,334                | 113,412              |
| -                    | -                    | -                    | -                    | -                    | -                    |
| <u>(1,458,496)</u>   | <u>97,570</u>        | <u>(203,424)</u>     | <u>(2,516,559)</u>   | <u>(170,161)</u>     | <u>(2,569,984)</u>   |
| <u>(1,400,213)</u>   | <u>79,696</u>        | <u>(34,179)</u>      | <u>(2,432,345)</u>   | <u>(127,367)</u>     | <u>407,505</u>       |
| <u>\$ 18,843,773</u> | <u>\$ 19,647,271</u> | <u>\$ 20,107,292</u> | <u>\$ 22,740,128</u> | <u>\$ 25,800,081</u> | <u>\$ 33,048,470</u> |
| \$ 406,961           | \$ 344,528           | \$ (2,589,210)       | \$ (810,928)         | \$ 10,373,033        | \$ 14,654,491        |
| 418,634              | 1,941,188            | 2,378,046            | 2,759,387            | 5,781,444            | 3,624,977            |
| <u>\$ 825,595</u>    | <u>\$ 2,285,716</u>  | <u>\$ (211,164)</u>  | <u>\$ 1,948,459</u>  | <u>\$ 16,154,477</u> | <u>\$ 18,279,468</u> |

**City of Ennis, Texas**  
**Fund Balance – Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

|                                    | Fiscal Year         |                     |                     |                      |
|------------------------------------|---------------------|---------------------|---------------------|----------------------|
|                                    | 2013                | 2014                | 2015                | 2016                 |
| General fund                       |                     |                     |                     |                      |
| Nonspendable                       | \$ 279,515          | \$ 261,936          | \$ 311,358          | \$ 69,308            |
| Restricted                         | 46,874              | 35,950              | 3,096               | 3,096                |
| Assigned                           | -                   | -                   | -                   | 203,464              |
| Unassigned                         | 7,435,540           | 8,079,732           | 7,801,393           | 7,712,536            |
| Total general fund                 | <u>\$ 7,761,929</u> | <u>\$ 8,377,618</u> | <u>\$ 8,115,847</u> | <u>\$ 7,988,404</u>  |
| All other governmental funds       |                     |                     |                     |                      |
| Nonspendable                       | \$ 28,966           | \$ 28,966           | \$ 28,966           | \$ 32,554            |
| Restricted                         | 1,627,368           | 6,307,671           | 3,640,617           | 13,255,506           |
| Unassigned                         | -                   | -                   | -                   | -                    |
| Total all other governmental funds | <u>\$ 1,656,334</u> | <u>\$ 6,336,637</u> | <u>\$ 3,669,583</u> | <u>\$ 13,288,060</u> |

**Source:** Annual Comprehensive Financial Report



| <b>Fiscal Year</b>   |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>2017</b>          | <b>2018</b>          | <b>2019</b>          | <b>2020</b>          | <b>2021</b>          | <b>2022</b>          |
| \$ 84,625            | \$ 84,454            | \$ 53,213            | \$ 33,482            | \$ 21,414            | \$ 48,140            |
| 4,650                | 4,652                | 4,708                | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| 5,779,072            | 6,769,432            | 8,017,606            | 8,833,812            | 11,503,614           | 14,878,002           |
| <u>\$ 5,868,347</u>  | <u>\$ 6,858,538</u>  | <u>\$ 8,075,527</u>  | <u>\$ 8,867,294</u>  | <u>\$ 11,525,028</u> | <u>\$ 14,926,142</u> |
| <br>                 |                      |                      |                      |                      |                      |
| \$ 36,961            | \$ 36,961            | \$ 28,966            | \$ 28,966            | \$ 6,676,150         | \$ 4,251,392         |
| 18,812,318           | 11,427,256           | 23,347,316           | 30,209,343           | 22,768,960           | 41,097,486           |
| -                    | -                    | (1,706,059)          | (500,174)            | (2,787,000)          | (15,279)             |
| <u>\$ 18,849,279</u> | <u>\$ 11,464,217</u> | <u>\$ 21,670,223</u> | <u>\$ 29,738,135</u> | <u>\$ 26,658,110</u> | <u>\$ 45,333,599</u> |

**City of Ennis, Texas**  
**Changes in Fund Balance – Governmental Funds**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

|   | Fiscal Year       |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2013              | 2014              | 2015              | 2016              |
| <b>Revenues</b>   |                   |                   |                   |                   |
| Property taxes  | \$ 10,062,727     | \$ 9,903,070      | \$ 9,899,156      | \$ 10,014,934     |
| Sales taxes   | 2,753,904         | 2,979,576         | 3,782,774         | 5,018,180         |
| Franchise taxes   | 1,529,513         | 1,622,886         | 1,606,673         | 1,550,923         |
| Hotel occupancy taxes                                     | 248,450           | 270,869           | 309,009           | 344,126           |
| Alcoholic beverage taxes                                  | 27,836            | 34,385            | 38,206            | 43,442            |
| Licenses and permits                                      | 140,632           | 144,941           | 200,916           | 292,635           |
| Fines and forfeitures                                     | 510,652           | 605,176           | 470,713           | 625,830           |
| Charges for current services                              | 1,121,191         | 1,163,283         | 233,969           | 243,145           |
| Investment earnings                                       | 299,994           | 330,224           | 273,786           | 283,228           |
| Miscellaneous   | 161,351           | 303,910           | 227,546           | 76,641            |
| Intergovernmental   | 117,842           | 124,010           | 486,000           | 722,471           |
| Contributions and donations                               | 5,861             | 8,203             | 22,255            | 40,532            |
| <b>Total revenues</b>                                     | <b>16,979,953</b> | <b>17,490,533</b> | <b>17,551,003</b> | <b>19,256,087</b> |
| <b>Expenditures</b>                                       |                   |                   |                   |                   |
| Current:  |                   |                   |                   |                   |
| General government  | 972,299           | 1,124,725         | 2,000,927         | 2,934,110         |
| Public Safety   | 7,560,985         | 7,850,808         | 8,304,576         | 8,875,792         |
| Streets   | 1,052,162         | 1,246,624         | 1,092,572         | 1,474,034         |
| Health  | 403,090           | 370,085           | 375,606           | 317,168           |
| Equipment services  | 120,050           | 138,956           | 254,287           | 322,871           |
| Cultural and recreational                                 | 1,000,738         | 1,060,585         | 1,137,874         | 1,105,233         |
| Airport   | 106,613           | 165,174           | 54,601            | 14,570            |
| Public works  | 84,971            | 89,434            | 179,385           | 297,208           |
| Sanitation services                                       | 1,117,602         | 958,107           | -                 | -                 |
| Capital outlay  | 3,168,293         | 1,369,145         | 3,798,531         | 362,581           |
| Debt service:   |                   |                   |                   |                   |
| Principal retirement                                      | 2,695,699         | 2,956,333         | 3,178,482         | 3,041,326         |
| Interest and fiscal charges                               | 1,011,277         | 946,141           | 837,011           | 804,256           |
| Bond issuance costs                                       | -                 | 141,483           | -                 | 146,343           |
| <b>Total expenditures</b>                                 | <b>19,293,779</b> | <b>18,417,600</b> | <b>21,213,852</b> | <b>19,695,492</b> |
| Excess (deficiency) of revenues over (under) expenditures | (2,313,826)       | (927,067)         | (3,662,849)       | (439,405)         |
| <b>Other Financing Sources (Uses)</b>                     |                   |                   |                   |                   |
| Transfers in  | 4,815,596         | 3,531,473         | 984,866           | 763,408           |
| Transfers out   | (4,815,596)       | (3,531,473)       | (250,842)         | (17,533)          |
| Refunding bonds issued                                    | -                 | 10,045,000        | -                 | 3,325,000         |
| Certificates of obligation issued                         | -                 | 6,000,000         | -                 | 8,760,000         |
| Premium on bonds issued                                   | -                 | 276,162           | -                 | 127,405           |
| Discount on bonds issued                                  | -                 | -                 | -                 | -                 |
| Payment to refunded bond escrow agent                     | -                 | (10,194,056)      | -                 | (3,299,300)       |
| Leases (as lessee)  | 187,668           | 95,953            | -                 | -                 |
| Capital contributions                                     | -                 | -                 | -                 | -                 |
| Sale of capital assets                                    | -                 | -                 | -                 | -                 |
| <b>Total other financing sources</b>                      | <b>187,668</b>    | <b>6,223,059</b>  | <b>734,024</b>    | <b>9,658,980</b>  |
| Net change in fund balances                               | \$ (2,126,158)    | \$ 5,295,992      | \$ (2,928,825)    | \$ 9,219,575      |
| Debt service as a percentage of noncapital expenditures   | 22.99%            | 22.89%            | 23.06%            | 19.89%            |

| Fiscal Year         |                       |                      |                     |                     |                      |
|---------------------|-----------------------|----------------------|---------------------|---------------------|----------------------|
| 2017                | 2018                  | 2019                 | 2020                | 2021                | 2022                 |
| \$ 10,953,855       | \$ 11,337,170         | \$ 11,838,643        | \$ 14,184,459       | \$ 15,117,110       | \$ 15,799,299        |
| 5,332,377           | 5,404,232             | 5,324,306            | 6,280,797           | 7,585,464           | 10,771,085           |
| 1,629,324           | 1,647,872             | 1,494,793            | 1,640,222           | 1,694,133           | 1,933,079            |
| 346,010             | 389,228               | 391,787              | 231,856             | 516,155             | 490,768              |
| 42,885              | 46,153                | 52,512               | 49,051              | 77,564              | 76,540               |
| 367,628             | 692,179               | 457,282              | 700,874             | 1,328,324           | 1,339,129            |
| 569,395             | 592,443               | 426,638              | 332,410             | 250,972             | 245,954              |
| 198,384             | 259,223               | 12,154,558           | 99,211,261          | 146,308,493         | 221,777,048          |
| 131,188             | 146,149               | 391,289              | 257,103             | 153,933             | 93,741               |
| 211,749             | 405,276               | 415,548              | 531,049             | 707,367             | 888,677              |
| 1,397,186           | 2,213,233             | 1,093,469            | 3,663,633           | 5,034,089           | 2,861,285            |
| 19,304              | 24,092                | 227,691              | 53,589              | 9,163               | 360,837              |
| <u>21,199,285</u>   | <u>23,157,250</u>     | <u>34,268,516</u>    | <u>127,136,304</u>  | <u>178,782,767</u>  | <u>256,637,442</u>   |
| 4,975,332           | 3,758,434             | 3,370,826            | 5,467,394           | 4,671,333           | 5,210,744            |
| 9,698,196           | 11,268,840            | 10,977,766           | 11,899,996          | 11,902,107          | 12,756,836           |
| 2,122,396           | 2,631,639             | 2,296,706            | 1,457,560           | 1,722,077           | 1,558,432            |
| 389,665             | 519,089               | 14,247,239           | 103,361,741         | 145,087,384         | 218,194,521          |
| 303,858             | 335,479               | 900,753              | 322,337             | 299,006             | 333,397              |
| 1,472,159           | 1,454,924             | 1,541,631            | 1,679,559           | 1,526,782           | 1,795,397            |
| -                   | -                     | -                    | -                   | -                   | -                    |
| 306,571             | 339,063               | 324,467              | 510,564             | 545,770             | 624,213              |
| -                   | -                     | -                    | -                   | -                   | -                    |
| 847,885             | 6,733,013             | 13,889,614           | 14,631,755          | 6,848,019           | 8,645,719            |
| 3,202,663           | 3,314,075             | 3,257,300            | 3,980,000           | 4,070,000           | 4,355,000            |
| 818,200             | 841,789               | 1,129,696            | 2,201,711           | 2,747,984           | 2,513,451            |
| 88,114              | 57,753                | 499,015              | 208,671             | -                   | 272,748              |
| <u>24,225,039</u>   | <u>31,254,098</u>     | <u>52,435,013</u>    | <u>145,721,288</u>  | <u>179,420,462</u>  | <u>256,260,458</u>   |
| (3,025,754)         | (8,096,848)           | (18,166,497)         | (18,584,984)        | (637,695)           | 376,984              |
| 1,548,526           | 2,057,056             | 16,769,899           | 8,593,209           | 5,589,700           | 4,959,115            |
| (246,536)           | (2,154,626)           | (15,699,434)         | (6,076,650)         | (5,419,539)         | (2,140,331)          |
| 2,080,000           | -                     | -                    | -                   | -                   | -                    |
| 5,225,000           | 1,495,000             | 26,900,000           | 16,920,000          | -                   | 17,439,000           |
| 185,596             | 63,325                | 1,604,227            | 3,278,833           | -                   | 1,056,362            |
| -                   | -                     | -                    | -                   | -                   | -                    |
| (2,085,009)         | -                     | -                    | -                   | -                   | -                    |
| -                   | -                     | -                    | -                   | -                   | 254,046              |
| 30,798              | 151,593               | 14,800               | 48,318              | -                   | 40,000               |
| <u>6,738,375</u>    | <u>1,612,348</u>      | <u>29,589,492</u>    | <u>22,763,710</u>   | <u>170,161</u>      | <u>21,699,619</u>    |
| <u>\$ 3,712,621</u> | <u>\$ (6,484,500)</u> | <u>\$ 11,422,995</u> | <u>\$ 4,178,726</u> | <u>\$ (467,534)</u> | <u>\$ 22,076,603</u> |
| 17.20%              | 16.95%                | 11.38%               | 4.72%               | 3.95%               | 2.77%                |

**City of Ennis, Texas**  
**Appraised Value of Property**  
**Last Ten Fiscal Years**  
*(in thousands of dollars)*

| <b>Fiscal<br/>Year<br/>Ended<br/>September 30</b> | <b>Estimated Actual Value</b> |                              | <b>Less:<br/>Tax-Exempt<br/>Real Property</b> | <b>Total Taxable<br/>Assessed<br/>Value</b> | <b>Total<br/>Direct<br/>Rate</b> |
|---|-------------------------------|------------------------------|---|---|----------------------------------|
|   | <b>Real<br/>Property</b>      | <b>Personal<br/>Property</b> |   |   |                                  |
| 2013  | \$ 1,148,522,273              | \$ 536,978,364               | \$ 310,253,824                                | \$ 1,375,246,813                            | 0.69500                          |
| 2014  | 1,143,218,632                 | 563,332,312                  | 294,789,804                                   | 1,411,761,140                               | 0.69500                          |
| 2015  | 1,147,947,475                 | 544,574,734                  | 282,434,339                                   | 1,410,087,870                               | 0.69500                          |
| 2016  | 1,175,090,290                 | 598,711,617                  | 288,761,727                                   | 1,485,040,180                               | 0.66917                          |
| 2017  | 1,197,278,670                 | 636,795,500                  | 279,113,745                                   | 1,554,960,425                               | 0.69900                          |
| 2018  | 1,273,620,820                 | 603,809,367                  | 296,237,653                                   | 1,581,192,534                               | 0.71000                          |
| 2019  | 1,355,650,141                 | 617,022,962                  | 317,159,911                                   | 1,655,513,192                               | 0.71000                          |
| 2020  | 1,620,978,908                 | 682,277,579                  | 350,565,657                                   | 1,952,690,830                               | 0.72447                          |
| 2021  | 1,866,473,853                 | 643,308,452                  | 450,110,193                                   | 2,059,672,112                               | 0.72447                          |
| 2022  | 2,010,414,674                 | 625,763,056                  | 454,789,026                                   | 2,181,388,704                               | 0.72447                          |

**Source:** City Administration Office

**City of Ennis, Texas**  
**Direct and Overlapping Property Tax Rates – All Governments**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

| Fiscal Year | City of Ennis            |                                 |              | Overlapping Rates                 |              | Total Direct and Overlapping Rates |
|-------------|--------------------------|---------------------------------|--------------|-----------------------------------|--------------|------------------------------------|
|             | Operating / General Rate | General Obligation Debt Service | Total Direct | Ennis Independent School District | Ellis County |                                    |
| 2013        | 0.45698                  | 0.23802                         | 0.69500      | 1.54000                           | 0.41360      | 2.64860                            |
| 2014        | 0.44871                  | 0.24629                         | 0.69500      | 1.54000                           | 0.41360      | 2.64860                            |
| 2015        | 0.42918                  | 0.26582                         | 0.69500      | 1.54000                           | 0.41360      | 2.64860                            |
| 2016        | 0.43989                  | 0.22928                         | 0.66917      | 1.54000                           | 0.41360      | 2.62277                            |
| 2017        | 0.45900                  | 0.24000                         | 0.69900      | 1.54000                           | 0.41360      | 2.65260                            |
| 2018        | 0.47000                  | 0.24000                         | 0.71000      | 1.53580                           | 0.35971      | 2.60551                            |
| 2019        | 0.47000                  | 0.24000                         | 0.71000      | 1.54000                           | 0.33898      | 2.58898                            |
| 2020        | 0.44987                  | 0.27461                         | 0.72447      | 1.48835                           | 0.32956      | 2.54238                            |
| 2021        | 0.44547                  | 0.27900                         | 0.72447      | 1.46990                           | 0.35028      | 2.54465                            |
| 2022        | 0.44547                  | 0.27900                         | 0.72447      | 1.46990                           | 0.32019      | 2.51456                            |

**Source:** City Administration Office

<sup>1</sup> Overlapping rates are those of local and county governments that apply to property owners within the City of Ennis

**City of Ennis, Texas**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

| Tax Payer                                      | 2022                    |      |  | 2013                    |      |  |
|--|-------------------------|------|--|-------------------------|------|--|
|  | Taxable Assessed Value  | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value  | Rank | Percentage of Total Taxable Assessed Value |
| CVS Texas Distribution LP                      | \$ 87,089,024           | 1    | 3.99%                                      | \$ 64,755,640           | 2    | 4.71%                                      |
| Freshpet Inc                                   | 81,767,883              | 2    | 3.75%                                      | -                       | -    | -  |
| Ennis Power Company, LLC                       | 73,910,100              | 3    | 3.39%                                      | 90,712,685              | 1    | 6.60%                                      |
| Sterilite Corporation of Texas                 | 61,604,058              | 4    | 2.82%                                      | 53,186,510              | 4    | 3.87%                                      |
| Valent USA Corporation                         | 58,243,038              | 5    | 2.67%                                      | 60,457,190              | 3    | 4.40%                                      |
| Elk Corporation of Texas                       | 43,304,109              | 6    | 1.99%                                      | 20,598,970              | 8    | 1.50%                                      |
| Legget Partners LP                             | 39,423,832              | 7    | 1.81%                                      | -                       | -    | -  |
| Ennis-Flint, Inc                               | 35,465,975              | 8    | 1.63%                                      | -                       | -    | -  |
| Spyglass Apartments of Ennis LP                | 28,477,867              | 9    | 1.31%                                      | -                       | -    | -  |
| Ennis TX 287 LLC                               | 23,482,130              | 10   | 1.08%                                      | -                       | -    | -  |
| Syngenta Crop Protection LLC                   | -                       | -    | -  | 40,738,590              | 5    | 2.96%                                      |
| JTEKT of Texas, Inc                            | -                       | -    | -  | 33,118,589              | 6    | 2.41%                                      |
| Sterilite Industrial Realty LLC                | -                       | -    | -  | 20,735,920              | 7    | 1.51%                                      |
| Wal-Mart Real Estate                           | -                       | -    | -  | 17,872,160              | 9    | 1.30%                                      |
| Ennis Paint Inc                                | -                       | -    | -  | 15,245,520              | 10   | 1.11%                                      |
| <b>Total</b>                                   | <b>\$ 532,768,016</b>   |      | <b>24.42%</b>                              | <b>\$ 417,421,774</b>   |      | <b>30.35%</b>                              |
| Total valuation of City net of exempt property | <u>\$ 2,181,388,704</u> |      |  | <u>\$ 1,375,246,813</u> |      |  |

Source: City Administration Office

**City of Ennis, Texas**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

| Fiscal Year Ended September 30 | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy |                    | Collections in Subsequent Years | Total Collections to Date |                    |
|--------------------------------|--------------------------------|--|--------------------|---------------------------------|---------------------------|--------------------|
|                                |                                | Amount Collected                             | Percentage of Levy |                                 | Amount Collected          | Percentage of Levy |
| 2013                           | \$ 9,625,186                   | \$ 9,453,560                                 | 98.22 %            | \$ 167,297                      | \$ 9,620,857              | 99.96 %            |
| 2014                           | 9,827,953                      | 9,705,917                                    | 98.76              | 117,743                         | 9,823,660                 | 99.96              |
| 2015                           | 9,809,002                      | 9,693,244                                    | 98.82              | 109,355                         | 9,802,599                 | 99.93              |
| 2016                           | 9,931,494                      | 9,817,879                                    | 98.86              | 101,624                         | 9,919,503                 | 99.88              |
| 2017                           | 10,881,653                     | 10,779,321                                   | 99.06              | 91,420                          | 10,870,741                | 99.90              |
| 2018                           | 11,215,175                     | 11,118,724                                   | 99.14              | 84,810                          | 11,203,535                | 99.90              |
| 2019                           | 11,754,144                     | 11,637,327                                   | 99.14              | 95,796                          | 11,733,124                | 99.82              |
| 2020                           | 14,146,718                     | 13,927,146                                   | 98.45              | 84,827                          | 14,011,973                | 99.05              |
| 2021                           | 14,956,587                     | 14,744,645                                   | 98.58              | 53,585                          | 14,798,230                | 98.94              |
| 2022                           | 15,731,881                     | 15,565,895                                   | 98.94              | -                               | 15,565,895                | 98.94              |

Source: City Administration Office

**City of Ennis, Texas**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

|                    | Fiscal Year      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                    | 2013             | 2014             | 2015             | 2016             | 2017             | 2018             | 2019             | 2020             | 2021             | 2022             |                  |
| Tax rate limit     | \$ 2.5000        | \$ 2.5000        | \$ 2.5000        | \$ 2.5000        | \$ 2.5000        | \$ 2.5000        | \$ 2.5000        | \$ 2.5000        | \$ 2.5000        | \$ 2.5000        | \$ 2.5000        |
| Current tax rate   | 0.6950           | 0.6950           | 0.6950           | 0.6692           | 0.6990           | 0.7100           | 0.7100           | 0.7245           | 0.7245           | 0.7245           | 0.7245           |
| Available tax rate | <u>\$ 1.8050</u> | <u>\$ 1.8050</u> | <u>\$ 1.8050</u> | <u>\$ 1.8308</u> | <u>\$ 1.8010</u> | <u>\$ 1.7900</u> | <u>\$ 1.7900</u> | <u>\$ 1.7755</u> | <u>\$ 1.7755</u> | <u>\$ 1.7755</u> | <u>\$ 1.7755</u> |

**Note 1:** The City Charter of the City of Ennis, Texas, does not provide for a debt limit. Under provisions of state law, the maximum tax rate is limited to \$2.50 per \$100 assessed valuation. No direct bond debt limitation is imposed on the City under current state law or the City's Charter.



**City of Ennis, Texas**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

*(principal only; dollars in thousands, except per capita)*

| Fiscal Year | Government Activities    |                            |               |                               |            | Business-Type Activities |                            |         | Total Outstanding Debt | Percentage of Personal Income <sup>1</sup> | Debt Per Capital <sup>1</sup> |
|-------------|--------------------------|----------------------------|---------------|-------------------------------|------------|--------------------------|----------------------------|---------|------------------------|--|-------------------------------|
|             | General Obligation Bonds | Certificates of Obligation | Notes Payable | Development Agreement Payable | Leases     | General Obligation Bonds | Certificates of Obligation | Leases  |                        |  |                               |
| 2013        | \$ 18,370,315            | \$ 4,955,000               | \$ 182,343    | \$ 18,480,969                 | \$ 930,160 | \$ 12,794,062            | \$ -                       | \$ -    | \$ 55,712,849          | 14.68%                                     | \$ 2,979                      |
| 2014        | 17,271,780               | 9,930,000                  | 159,549       | 17,936,076                    | 835,515    | 11,015,017               | -                          | -       | 57,147,937             | 14.73%                                     | 3,036                         |
| 2015        | 15,429,447               | 8,665,000                  | 136,755       | 17,391,183                    | 646,388    | 9,498,448                | -                          | 46,999  | 51,814,220             | 13.07%                                     | 2,605                         |
| 2016        | 15,610,885               | 14,705,000                 | -             | 16,846,290                    | 459,908    | 8,094,837                | 4,720,000                  | 9,482   | 60,446,402             | 13.46%                                     | 2,974                         |
| 2017        | 13,749,514               | 18,825,000                 | -             | 16,301,397                    | 351,591    | 6,604,737                | 7,005,000                  | -       | 62,837,239             | 13.97%                                     | 3,092                         |
| 2018        | 11,678,166               | 19,170,000                 | -             | 15,756,504                    | 252,517    | 5,083,677                | 12,450,000                 | -       | 64,390,864             | 13.07%                                     | 3,163                         |
| 2019        | 11,259,922               | 44,810,000                 | -             | 15,211,611                    | 170,217    | 3,494,606                | 12,130,000                 | -       | 87,076,356             | 17.38%                                     | 4,264                         |
| 2020        | 12,428,437               | 59,720,000                 | -             | 14,666,718                    | -          | 2,774,541                | 16,475,000                 | -       | 106,064,696            | 21.00%                                     | 5,108                         |
| 2021        | 10,505,432               | 57,275,000                 | -             | 14,171,735                    | -          | 1,815,271                | 15,615,000                 | -       | 99,382,438             | 16.97%                                     | 4,746                         |
| 2022        | 5,994,991                | 75,631,667                 | -             | 13,576,752                    | 276,792    | -                        | 30,740,203                 | 136,660 | 126,357,065            | 43.66%                                     | 7,643                         |

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

<sup>1</sup> Personal Income data and population data can be found in the Schedule of Demographic and Economic Statistics on page

**City of Ennis, Texas**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2020**  
*(Dollars in Thousands)*

| <b>Governmental Unit</b>                         | <b>Debt<br/>Outstanding</b> | <b>Estimated<br/>Percentage<br/>Applicable<sup>1</sup></b> | <b>Amounts<br/>Applicable to<br/>Primary<br/>Government</b> |
|--|-----------------------------|--|---|
| Debt repaid with property taxes: Ellis County    | \$ 28,755,000               | 11.02%   | \$ 3,168,801  |
| Debt repaid with property taxes: School District | \$ 260,324,750              | 77.46%   | <u>201,647,551</u>  |
| Subtotal, overlapping debt                       |                             |  | 204,816,352   |
| City of Ennis, Texas direct debt                 |                             |  | <u>95,480,202</u>   |
| Total direct and overlapping debt                |                             |  | <u>\$ 300,296,554</u>                                       |

**Source:** Texas Municipal Reports

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

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county and school district's taxable assessed value that is within the City's boundaries and dividing it by the county and school district's total taxable assessed value.

**City of Ennis, Texas**  
**Ratios of Net General Bonded Debt to Assessed Value and**  
**Net Value Bonded Debt per Capita**  
**Last Ten Fiscal Years**  
*(Principal Only; Dollars in Thousands, Except per Capita)*

| Fiscal<br>Year<br>Ended<br>September 30, | General<br>Obligation<br>Bonds | Certificates<br>of<br>Obligation | Less: Amounts<br>Available in Debt<br>Service Fund | Total         | Percentage of<br>Estimated<br>Actual Taxable<br>Value <sup>1</sup> of<br>Property | Per<br>Capita <sup>2</sup> |
|--|--------------------------------|----------------------------------|--|---------------|---|----------------------------|
| 2013                                     | \$ 31,164,377                  | \$ 4,955,000                     | \$ 407,021   | \$ 35,712,356 | 2.60%   | \$ 1,909                   |
| 2014                                     | 28,286,797                     | 9,930,000                        | 417,928  | 37,798,869    | 2.68%   | 2,008                      |
| 2015                                     | 24,927,895                     | 8,665,000                        | 636,046  | 32,956,849    | 2.34%   | 1,657                      |
| 2016                                     | 23,705,722                     | 14,705,000                       | 834,307  | 37,576,415    | 2.53%   | 1,849                      |
| 2017                                     | 20,354,251                     | 18,825,000                       | 966,622  | 38,212,629    | 2.46%   | 1,880                      |
| 2018                                     | 16,761,843                     | 19,170,000                       | 694,244  | 35,237,599    | 2.23%   | 1,731                      |
| 2019                                     | 14,754,528                     | 44,810,000                       | 723,532  | 58,840,996    | 3.55%   | 2,881                      |
| 2020                                     | 15,202,978                     | 76,195,000                       | 803,308  | 90,594,670    | 4.64%   | 4,363                      |
| 2021                                     | 12,320,703                     | 72,890,000                       | 36,182   | 85,174,521    | 4.14%   | 4,068                      |
| 2022                                     | 5,994,991                      | 75,631,667                       | 105,597  | 81,521,061    | 3.74%   | 3,844                      |

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

<sup>1</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property in page For property value data.

<sup>2</sup> Population data can be found in the Schedule of Demographic and Economic Statistics on page

**City of Ennis, Texas**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

| Fiscal<br>Year | Waterworks and Sewer System Revenue Bonds |  |                             |              |            |          |
|----------------|---|--|-----------------------------|--------------|------------|----------|
|                | Total<br>Revenues <sup>1</sup>            | Less<br>Operating<br>Expenses <sup>2</sup> | Net<br>Available<br>Revenue | Debt Service |            | Coverage |
|                |   |  |                             | Principal    | Interest   |          |
| 2013           | \$ 7,787,360                              | \$ 5,680,378                               | \$ 2,106,982                | \$ 1,689,558 | \$ 519,273 | 0.95     |
| 2014           | 7,718,889                                 | 5,911,133                                  | 1,807,756                   | 1,767,052    | 511,392    | 0.79     |
| 2015           | 8,177,569                                 | 5,245,884                                  | 2,931,685                   | 1,504,573    | 399,667    | 1.54     |
| 2016           | 8,649,043                                 | 5,649,392                                  | 2,999,651                   | 1,536,855    | 276,869    | 1.65     |
| 2017           | 9,371,511                                 | 5,528,336                                  | 3,843,175                   | 1,545,654    | 301,801    | 2.08     |
| 2018           | 10,394,169                                | 6,411,152                                  | 3,983,017                   | 1,695,969    | 300,614    | 1.99     |
| 2019           | 10,432,409                                | 5,980,676                                  | 4,451,733                   | 1,885,000    | 371,705    | 1.97     |
| 2020           | 10,672,175                                | 6,632,093                                  | 4,040,082                   | 1,920,000    | 328,885    | 1.80     |
| 2021           | 11,263,892                                | 6,305,142                                  | 4,958,750                   | 1,750,000    | 489,530    | 2.21     |
| 2022           | 14,892,365                                | 7,089,328                                  | 7,803,037                   | 1,375,000    | 1,009,149  | 3.27     |

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

<sup>1</sup> Includes operating and nonoperating revenues

<sup>2</sup> Includes operating expenses minus depreciation.

# City of Ennis, Texas

## Demographic and Economic Statistics

### Last Ten Calendar Years

| Fiscal Year | Estimated Population <sup>1</sup> | Personal Income | Per Capita Personal Income <sup>2</sup> | Median Age <sup>2</sup> | Public School Enrollment <sup>3</sup> | Unemployment Rate <sup>4</sup> |
|-------------|-----------------------------------|-----------------|---|-------------------------|---------------------------------------|--------------------------------|
| 2013        | 18,704                            | \$ 371,311,808  | \$ 19,852                               | 33.7                    | 5,675                                 | 5.6 %                          |
| 2014        | 18,823                            | 379,603,441     | 20,167                                  | 34.5                    | 5,675                                 | 5.6 %                          |
| 2015        | 19,887                            | 387,895,935     | 19,505                                  | 34.5                    | 5,784                                 | 3.6 %                          |
| 2016        | 20,324                            | 396,419,620     | 19,505                                  | 34.4                    | 5,829                                 | 3.6 %                          |
| 2017        | 20,324                            | 449,099,428     | 22,097                                  | 34.5                    | 5,773                                 | 3.0 %                          |
| 2018        | 20,357                            | 449,828,629     | 22,097                                  | 33.1                    | 5,797                                 | 3.3 %                          |
| 2019        | 20,422                            | 492,639,906     | 24,123                                  | 33.8                    | 5,818                                 | 3.1 %                          |
| 2020        | 20,764                            | 500,893,349     | 24,123                                  | 33.7                    | 5,939                                 | 7.3 %                          |
| 2021        | 20,940                            | 505,135,620     | 24,123                                  | 33.8                    | 5,694                                 | 5.8 %                          |
| 2022        | 21,210                            | 585,502,050     | 27,605                                  | 34.0                    | 6,012                                 | 2.3 %                          |

**Sources:**

<sup>1</sup> North Central Texas Council of Governments, 2010 Census, 2013 Census Bureau

<sup>2</sup> U.S. Census Bureau

<sup>3</sup> Ennis Independent School District

<sup>4</sup> DOL, Department of Commerce

\* Median age only available when released in census years.

**City of Ennis, Texas**  
**Principal Employers**  
**Current Year and Nine Years Ago**

| Employer                          | 2022         |      |                                     | 2013         |      |                                     |
|-----------------------------------|--------------|------|-------------------------------------|--------------|------|-------------------------------------|
|                                   | Employees    | Rank | Percentage of Total City Employment | Employees    | Rank | Percentage of Total City Employment |
| Ennis Independent School District | 733          | 1    | 8.87%                               | 750          | 1    | 9.18%                               |
| Sterilite Corporation of Texas    | 650          | 2    | 7.87%                               | 650          | 2    | 7.95%                               |
| Leggett Partners LP               | 350          | 3    | 4.24%                               | 189          | 8    | 2.31%                               |
| GAF                               | 290          | 4    | 3.51%                               | 220          | 7    | 0.00%                               |
| Walmart                           | 250          | 5    | 3.03%                               | 250          | 4    | 3.06%                               |
| CVS Texas Distribution LP         | 233          | 6    | 2.82%                               | 222          | 6    | 2.72%                               |
| Freshpet Inc.                     | 218          | 7    | 2.64%                               | -            |      | 0.00%                               |
| Schirm USA, Inc.                  | 212          | 8    | 2.57%                               | -            |      | 0.00%                               |
| Ennis Extruded Products           | 150          | 9    | 1.82%                               | 125          | 10   | 0.00%                               |
| Advanced Drainage Systems Inc.    | 125          | 10   | 1.51%                               | -            |      | 0.00%                               |
| National Envelope Corporation     | -            |      | 0.00%                               | 325          | 3    | 3.98%                               |
| JTEKT of Texas, Inc.              | -            |      | 0.00%                               | 233          | 5    | 2.85%                               |
| Ennis Paint, Inc.                 | -            |      | 0.00%                               | 184          | 9    | 2.25%                               |
| <b>Total</b>                      | <b>3,211</b> |      | <b>38.86%</b>                       | <b>3,148</b> |      | <b>38.51%</b>                       |

Source: City Administration Office

**City of Ennis, Texas**  
**Full-time Equivalents City Government Employees**  
**By Function/Program**  
**Last Ten Fiscal Years**

| Function                  | Fiscal Year  |              |              |              |              |              |              |              |              |              |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                           | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         |
| General Government        |              |              |              |              |              |              |              |              |              |              |
| Administration            | 10.0         | 12.5         | 12.2         | 12.2         | 17.2         | 16.7         | 16.9         | 14.4         | 16.3         | 18.0         |
| Tourism                   | 2.5          | 2.5          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| Public Safety             |              |              |              |              |              |              |              |              |              |              |
| Police                    | 43.5         | 43.5         | 43.5         | 44.2         | 46.2         | 47.3         | 49.1         | 50.1         | 44.9         | 51.0         |
| Judicial                  | 2.0          | 2.0          | 2.0          | 2.0          | 4.5          | 3.8          | 3.8          | 3.8          | 3.8          | 3.0          |
| Fire                      | 30.0         | 30.0         | 30.0         | 30.0         | 30.0         | 41.5         | 43.5         | 41.1         | 42.8         | 41.0         |
| Inspection                | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          | 5.1          | 6.5          |
| Streets                   | 13.0         | 13.0         | 13.0         | 11.0         | 8.0          | 10.3         | 10.0         | 8.4          | 8.2          | 9.0          |
| Health                    | 3.0          | 3.0          | 3.0          | 3.0          | 4.0          | 5.1          | 5.1          | 5.1          | 4.8          | 5.0          |
| Equipment Services        | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          |
| Cultural and Recreational |              |              |              |              |              |              |              |              |              |              |
| Parks and Recreation      | 8.0          | 8.0          | 8.0          | 8.0          | 6.4          | 6.8          | 7.1          | 8.5          | 9.4          | 9.0          |
| Library                   | 6.0          | 6.0          | 5.6          | 5.6          | 5.6          | 5.6          | 5.6          | 5.4          | 5.5          | 5.5          |
| Museum                    | 1.0          | 1.0          | 1.0          | 1.0          | 1.1          | 0.7          | 0.8          | 0.7          | 0.7          | 1.0          |
| Public Works              | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.1          | 2.1          | 2.1          | 2.5          | 2.0          |
| Sanitation Services       | 15.0         | 15.0         | 15.0         | 15.0         | 15.0         | 15.3         | 14.7         | 12.1         | 11.0         | 11.0         |
| Water and Wastewater      |              |              |              |              |              |              |              |              |              |              |
| Administration            | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          | 4.9          | 5.1          | 4.0          | 4.2          | 4.0          |
| Water                     | 19.0         | 18.0         | 18.0         | 18.0         | 19.0         | 17.6         | 16.7         | 16.1         | 15.3         | 15.0         |
| Wastewater                | 15.0         | 15.0         | 15.0         | 15.0         | 15.0         | 16.3         | 16.8         | 17.8         | 16.8         | 19.0         |
| <b>Total</b>              | <b>183.0</b> | <b>184.5</b> | <b>183.3</b> | <b>182.0</b> | <b>189.0</b> | <b>204.0</b> | <b>207.3</b> | <b>199.4</b> | <b>196.3</b> | <b>205.0</b> |

Source: City Administration Office

**City of Ennis, Texas**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

| Function                                | Fiscal Year   |              |              |               |
|---|---------------|--------------|--------------|---------------|
|   | 2013          | 2014         | 2015         | 2016          |
| <b>Police</b>                           |               |              |              |               |
| UCR – Reported Crimes                   | 1,024         | 860          | 868          | 770           |
| Number of Violations (Citations)        | 7,934         | 9,083        | 7,539        | 6,670         |
| <b>Judicial</b>                         |               |              |              |               |
| Municipal Court Fines                   | \$ 446,042    | \$ 500,672   | \$ 451,022   | \$ 566,512    |
| <b>Fire</b>                             |               |              |              |               |
| Fire Calls                              | 18            | 14           | 994          | 114           |
| First Response (Ambulance Assist.)      | -             | -            | 1,587        | 1,842         |
| Fire Loss                               | \$ 169,950    | \$ 20,500    | \$ 39,500    | \$ 280,000    |
| <b>Inspection</b>                       |               |              |              |               |
| Permits Issued (Units)                  | 122           | 35           | 36           | 52            |
| Permit Value                            | \$ 22,756,456 | \$ 9,260,747 | \$ 9,582,310 | \$ 14,940,779 |
| <b>Streets</b>                          |               |              |              |               |
| Miles of Streets Maintained             | 103.67        | 103.67       | 103.67       | 103.67        |
| <b>Health</b>                           |               |              |              |               |
| Food Establishment Inspections          | 544           | 377          | 213          | 235           |
| Animals Impounded                       | 1,024         | 979          | 783          | 713           |
| <b>Equipment Services</b>               |               |              |              |               |
| Equipment Maintained                    | 125           | 276          | 582          | 565           |
| <b>Cultural and Recreational</b>        |               |              |              |               |
| <b>Parks</b>                            |               |              |              |               |
| Parks Maintained                        | 12            | 12           | 12           | 12            |
| <b>Library</b>                          |               |              |              |               |
| Patrons                                 | 94,103        | 80,160       | 78,079       | 71,360        |
| Circulation                             | 75,682        | 73,482       | 74,621       | 73,612        |
| <b>Museum</b>                           |               |              |              |               |
| Paid Attendance                         | 502           | 826          | 638          | 595           |
| <b>Sanitation Service</b>               |               |              |              |               |
| Refuse Customers                        | 5,167         | 5,156        | 5,208        | 5,271         |
| Estimated Refuse Collected (in tons)    | 8,285         | 8,398        | 8,356        | 8,418         |
| <b>Water</b>                            |               |              |              |               |
| Number of Water Customers               | 5,167         | 5,754        | 5,868        | 5,944         |
| Estimated Gallons Billed (in thousands) | 952,797       | 943,507      | 881,881      | 1,008,824     |
| <b>Sewer</b>                            |               |              |              |               |
| Number of Wastewater Customers          | 5,491         | 5,488        | 5,548        | 5,613         |

**Source:** Various City Departments



| Fiscal Year   |                |               |                |                |                  |  |
|---------------|----------------|---------------|----------------|----------------|------------------|--|
| 2017          | 2018           | 2019          | 2020           | 2021           | 2022             |  |
| 687           | 775            | 701           | 736            | 893            | 984              |  |
| 5,192         | 3,570          | 3,166         | 2,929          | 1,236          | 1,771            |  |
| \$ 496,376    | \$ 527,036     | \$ 378,279    | \$ 275,906     | \$ 250,972     | \$ 241,603       |  |
| 108           | 981            | 1,256         | 1,197          | 784            | 1,284            |  |
| 1,679         | 1,182          | 1,565         | 1,614          | 2,054          | 2,053            |  |
| \$ 590,735    | \$ 196,000     | \$ 72,200     | \$ 350,000     | \$ 520,300     | \$ 195,000       |  |
| 79            | 889            | 743           | 714            | 903            | 1,540            |  |
| \$ 42,960,978 | \$ 106,407,201 | \$ 79,312,350 | \$ 189,043,510 | \$ 105,898,603 | \$ 1,293,823,384 |  |
| 103.67        | 119.05         | 120.54        | 120.93         | 124.01         | 124.01           |  |
| 290           | 137            | 144           | 159            | 143            | 153              |  |
| 723           | 524            | 806           | 272            | 253            | 350              |  |
| 278           | 170            | 171           | 176            | 190            | 195              |  |
| 17            | 19             | 19            | 19             | 19             | 19               |  |
| 60,566        | 61,906         | 60,546        | 36,049         | 38,020         | 42,432           |  |
| 65,767        | 68,106         | 65,623        | 54,925         | 57,939         | 43,209           |  |
| 481           | 635            | 785           | 294            | 538            | 554              |  |
| 5,165         | 5,330          | 5,384         | 5,762          | 6,250          | 6,486            |  |
| 8,249         | 8,754          | 8,985         | 9,735          | 10,148         | 10,771           |  |
| 5,919         | 6,108          | 6,245         | 6,564          | 7,044          | 7,134            |  |
| 889,840       | 951,188        | 914,218       | 947,640        | 972,904        | 1,048,653        |  |
| 5,500         | 5,547          | 5,641         | 6,045          | 6,228          | 6,432            |  |

**City of Ennis, Texas**  
**Capital Asset Statistics**  
**By Function/Program**  
**Last Ten Fiscal Years**

| <b>Function</b>                                    | <b>Fiscal Year</b> |             |             |             |
|--|--------------------|-------------|-------------|-------------|
|  | <b>2013</b>        | <b>2014</b> | <b>2015</b> | <b>2016</b> |
| Police   |                    |             |             |             |
| Number of Stations                                 | 1                  | 1           | 1           | 1           |
| Fire   |                    |             |             |             |
| Number of Stations                                 | 2                  | 2           | 2           | 2           |
| Fire Hydrants                                      | 1,048              | 1,048       | 1,048       | 1,048       |
| Streets  |                    |             |             |             |
| Miles of Streets                                   | 103.67             | 103.67      | 103.67      | 103.67      |
| Equipment Services                                 |                    |             |             |             |
| Equipment Maintained                               | 125                | 276         | 582         | 565         |
| Cultural and Recreational                          |                    |             |             |             |
| Parks Maintained                                   | 12                 | 12          | 12          | 12          |
| Library  |                    |             |             |             |
| Number of Libraries                                | 1                  | 1           | 1           | 1           |
| Museum   |                    |             |             |             |
| Number of Museums                                  | 1                  | 1           | 1           | 1           |
| Water  |                    |             |             |             |
| Water Plant Capacity (million gallons per day)     | 12.00              | 12.00       | 12.00       | 12.00       |
| TCEQ Worst-Case Capacity (million gallons per day) | 9.10               | 9.10        | 9.10        | 9.10        |
| Water Storage Capacity (million gallons)           | 3.50               | 3.50        | 3.50        | 3.50        |
| Sewer  |                    |             |             |             |
| Sewer Plant Capacity (million gallons per day)     | 3.10               | 3.10        | 3.10        | 3.10        |

**Sources:** Various city departments

| Fiscal Year |            |            |            |            |            |
|-------------|------------|------------|------------|------------|------------|
| 2017        | 2018       | 2019       | 2020       | 2021       | 2022       |
| 1           | 1          | 1          | 1          | 1          | 1          |
| 2<br>1,050  | 3<br>1,055 | 3<br>1,064 | 3<br>1,064 | 3<br>1,184 | 3<br>1,184 |
| 103.67      | 119.05     | 120.54     | 120.93     | 124.01     | 124.01     |
| 278         | 170        | 171        | 176        | 190        | 195        |
| 17          | 19         | 19         | 19         | 19         | 19         |
| 1           | 1          | 1          | 1          | 1          | 1          |
| 1           | 1          | 1          | 1          | 1          | 1          |
| 12.00       | 12.00      | 12.00      | 12.00      | 12.00      | 12.00      |
| 9.10        | 9.10       | 9.10       | 9.10       | 9.10       | 9.10       |
| 3.50        | 3.50       | 3.50       | 3.50       | 3.50       | 3.50       |
| 3.10        | 3.10       | 3.10       | 3.10       | 3.10       | 3.10       |