

ANNUAL FINANCIAL REPORT

of the

City of Elgin, Texas

**For the Year Ended
September 30, 2021**

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City of Elgin, Texas

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September 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express

no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Emphasis of Matter

As discussed in Note V.E to the financial statements, the City restated its beginning net position in governmental activities, the general fund, and a nonmajor governmental fund due to corrections to insurance expenses and hotel tax revenue in the prior year. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Elgin, Texas's basic financial statements. The combining and individual nonmajor fund financial statements and schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2022 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.



BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
April 29, 2022

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

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City of Elgin, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2021

As management of the City of Elgin, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information contained in this report.

Financial Highlights

- The City's total combined net position is \$29,861,871 at September 30, 2021.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$6,198,800, an increase of \$3,076,234.
- The City had an overall increase in net position of \$5,851,244.
- The City and EDC closed the year with a net pension liability of \$1,958,113.

Overview of the Financial Statements

The 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 themselves.

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 information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent 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 vacation leave).

City of Elgin, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2021

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, public works, culture and recreation, and economic development. The business-type activities of the City include water and sewer, and sanitation operations.

FUND FINANCIAL STATEMENTS

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, 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 eleven 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, capital projects fund, and debt service fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general, debt service, capital projects, special revenue and utility funds. A budgetary comparison statement has been provided for the general and debt service fund to demonstrate compliance with their respective budget.

City of Elgin, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2021

Proprietary Funds

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer utility operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the building maintenance and other contractual services.

Proprietary financial statements 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.

Component Unit

The City maintains the accounting and financial statements for one component unit. The Elgin Economic Development Corporation, which is a discretely presented component unit, is presented alongside the government-wide statement of net position and statement of activities.

Notes to 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.

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Elgin, assets exceeded liabilities by \$29,861,871 as of September 30, 2021, in the primary government.

City of Elgin, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

The largest portion of the City's net position, \$22,452,689, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 7,532,392	\$ 18,675,673	\$ 26,208,065	\$ 4,327,052	\$ 6,740,598	\$ 11,067,650
Capital assets, net	28,849,909	33,231,821	62,081,730	28,144,794	30,135,550	58,280,344
Total Assets	<u>36,382,301</u>	<u>51,907,494</u>	<u>88,289,795</u>	<u>32,471,846</u>	<u>36,876,148</u>	<u>69,347,994</u>
Deferred Outflows	<u>391,141</u>	<u>125,819</u>	<u>516,960</u>	<u>413,630</u>	<u>146,454</u>	<u>560,084</u>
Other liabilities	1,360,708	1,708,807	3,069,515	1,224,350	1,227,693	2,452,043
Long-term liabilities	20,460,267	34,853,006	55,313,273	17,529,225	25,549,892	43,079,117
Total Liabilities	<u>21,820,975</u>	<u>36,561,813</u>	<u>58,382,788</u>	<u>18,753,575</u>	<u>26,777,585</u>	<u>45,531,160</u>
Deferred Inflows	<u>429,310</u>	<u>132,786</u>	<u>562,096</u>	<u>277,142</u>	<u>89,149</u>	<u>366,291</u>
Net Position:						
Net investment in capital assets	9,610,805	12,841,884	22,452,689	12,422,280	9,522,696	21,944,976
Restricted	3,590,518	3,604,275	7,194,793	2,066,732	523,001	2,589,733
Unrestricted	1,321,834	(1,107,445)	214,389	(634,253)	110,171	(524,082)
Total Net Position	<u>\$ 14,523,157</u>	<u>\$ 15,338,714</u>	<u>\$ 29,861,871</u>	<u>\$ 13,854,759</u>	<u>\$ 10,155,868</u>	<u>\$ 24,010,627</u>

Total current assets increased by \$15,140,415 when compared to the prior year primarily due to unspent bond proceeds and operating surpluses as of yearend. Total long-term liabilities increased by \$12,234,156 due to new bond issuances during the current year.

City of Elgin, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

Statement of Activities:

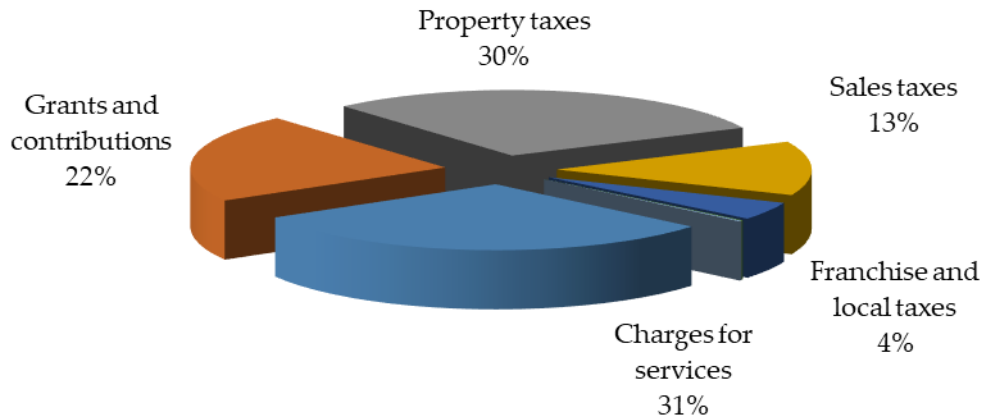
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2021			For the Year Ended September 30, 2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
			Primary Government			Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 4,629,808	\$ 7,738,454	\$ 12,368,262	\$ 3,018,817	\$ 5,876,130	\$ 8,894,947
Grants and contributions	3,322,790	144,074	3,466,864	572,892	626,285	1,199,177
General revenues:						
Property taxes	4,484,498	-	4,484,498	4,195,021	-	4,195,021
Sales taxes	2,022,908	-	2,022,908	1,815,205	-	1,815,205
Franchise and local taxes	676,312	-	676,312	645,653	-	645,653
Investment income	15,245	16,953	32,198	37,385	83,387	120,772
Other revenue	29,174	-	29,174	1,528	-	1,528
Total Revenues	15,180,735	7,899,481	23,080,216	10,286,501	6,585,802	16,872,303
Expenses						
General government	2,262,076	-	2,262,076	2,615,193	-	2,615,193
Public safety	3,522,877	-	3,522,877	3,454,048	-	3,454,048
Parks and recreation	2,199,876	-	2,199,876	1,589,268	-	1,589,268
Public works	2,050,533	-	2,050,533	2,062,416	-	2,062,416
Garbage	975,255	-	975,255	853,271	-	853,271
Other	144,814	-	144,814	-	-	-
Interest and fiscal charges	639,527	1,239,415	1,878,942	564,225	920,086	1,484,311
Utilities	-	4,194,599	4,194,599	-	3,722,792	3,722,792
Total Expenses	11,794,958	5,434,014	17,228,972	11,138,421	4,642,878	15,781,299
Change in Net Position						
Before Transfers	3,385,777	2,465,467	5,851,244	(851,920)	1,942,924	1,091,004
Transfers	(2,717,379)	2,717,379	-	2,657,715	(2,657,715)	-
Total	(2,717,379)	2,717,379	-	2,657,715	(2,657,715)	-
Change in Net Position	668,398	5,182,846	5,851,244	1,805,795	(714,791)	1,091,004
Beginning Net Position	13,854,759	10,155,868	24,010,627	12,048,964	10,870,659	22,919,623
Ending Net Position	\$ 14,523,157	\$ 15,338,714	\$ 29,861,871	\$ 13,854,759	\$ 10,155,868	\$ 24,010,627

City of Elgin, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

Governmental Activities - Revenues

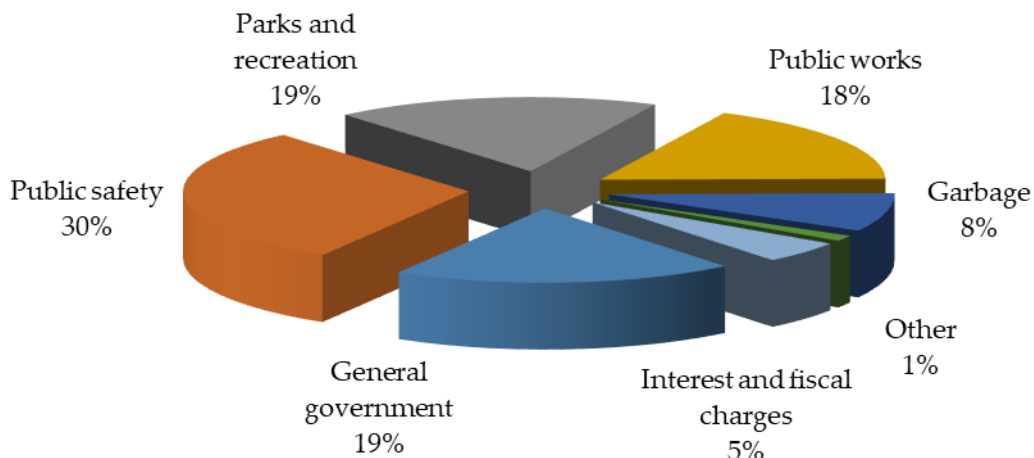


For the year ended September 30, 2021, revenues from governmental activities totaled \$15,180,735. Property tax, grants/contributions and charges for services are the City's largest revenue sources. Property taxes increased by \$289,477 or 7% due to increases in the appraised property tax values. Grants and contributions increased by \$2,749,898 primarily due to nonrecurring developer contributions and COVID-19 relief grants received in the current year. Charges for services increased by \$1,610,991 or 53% primarily as a result of nonrecurring inspection fees, site development plan fees, and new construction permits, as new real estate developments started during the current year. Sales tax revenues increased by \$207,703 or 11% primarily due to economic growth fueled by local purchases. Investment income decreased by \$22,140 or 59% primarily due to the realization of lower interest rates in the current year. Other revenues increased by \$27,646 primarily due to nonrecurring proceeds from sale of assets in the current year. All other revenues remained relatively stable when compared to the previous year.

City of Elgin, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses

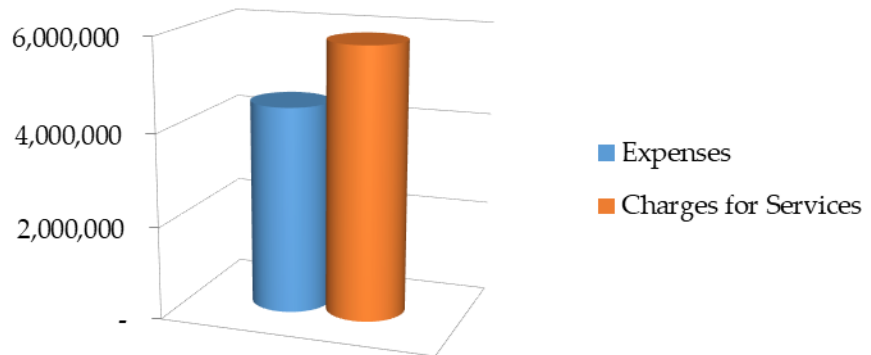


For the year ended September 30, 2021, expenses for governmental activities totaled \$11,794,958. This represents an increase of \$656,537 or 6% from the prior year. General government expenditures decreased by \$353,117 or 14% primarily due to a reduction in personnel costs and a reallocation of insurance and certain utility expenses to the internal service fund during the year. In addition, nonrecurring IRS penalties and employee appreciation expenses were incurred in the prior year. Parks and recreation expenses increased by \$610,608 or 38% primarily due to nonrecurring inspection services performed on the City's new real estate developments during the year. Garbage services expenses increased by \$121,984 or 14% primarily because of the City's growing customer base, which increased fixed fees over the course of the year. In addition, nonrecurring bad debt expense was recognized in the current year. Other expenses increased by \$144,814 primarily due to building and code enforcement related expenses being allocated to a separate department in the current year. All remaining expenses remained relatively consistent with the previous year.

City of Elgin, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2021, charges for services by business-type activities totaled \$7,738,454. This is an increase of \$1,862,324 or 32% from the previous year. This increase is directly related to greater water consumption and utility impact fee revenue resulting from new housing developments within the City over the course of the year.

Total expenses increased by \$791,136 or 17%. This increase is primarily a result of greater capital asset depreciation, chemical treatment expenses, nonrecurring sludge removal costs, and bond issuance expenses in the current year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of the end of the year the general fund reflected a fund balance of \$4,397,223. The general fund had a net increase in fund balance for the year of \$3,525,223. This increase was primarily due to greater intergovernmental revenues received than anticipated and less expenditures incurred than that which was appropriated.

The capital projects fund reflected a fund deficit of \$922,053 which represented a decrease of \$920,356. This decrease was primarily due to capital outlay expenditures exceeding transfers in and other

City of Elgin, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2021

revenues during the year. Capital expenditures totaled \$1,389,922 and were related to street improvements and light equipment.

There was an increase in the debt service fund of \$22,739 during the year, leaving a year end fund balance of \$896,070. All fund balance is restricted for debt service. Principal and interest payments (excluding bond issuance costs) totaled \$1,380,814 as of yearend.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a total positive budget variance of \$1,317,578 in the general fund. This represents a combination of positive revenue, expenditure, and other financing sources variances of \$763,255, \$482,111, and \$72,212, respectively. The City amended the original general fund budget for fiscal year 2021 by increasing total revenues by \$2,588,142 and increasing total expenditures by \$257,997. The general government, community development, garbage, and transfers out departmental expenditures exceeded appropriations at the legal level of budgetary control.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$28,849,909 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$33,231,821 in a variety of capital assets and infrastructure, net of accumulated depreciation.

Major capital asset events during the current year include the following:

- Construction in progress of:
 - Elgin County Line Road phase 1 improvements - \$341,710.
 - Wastewater treatment plant expansion - \$1,662,830.
 - Wastewater treatment plant booster station - \$170,191.
 - Central lift station improvements - \$315,380.
 - FM 1704 wastewater extension projects - \$2,015,069.
- Peppergrass storm drain line improvements totaling \$1,461,303 (including \$1,123,401 of developer contributions).
- Memorial Park playground equipment and surfacing totaling \$173,351.

City of Elgin, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2021

- Purchase of three new Chevy Tahoes for the police department totaling \$151,667.
- Elm Creek lift station rehabilitation for \$232,668.
- Elgin High School elevated storage tank improvements for \$107,056.
- Purchased 300 antenna meters for \$60,000.

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

LONG-TERM DEBT

At the end of the current year, the City had total bonds outstanding of \$48,070,000. During the year, the City issued certificates of obligation and general obligation bonds totaling \$22,020,000. The City also made principal repayments on outstanding bonds totaling \$1,913,698. The City refunded \$10,481,220 worth of certificates of obligation during the year. More detailed information about the City's long-term liabilities is presented in note IV. D to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of Elgin and improving services provided to their public citizens. The City is budgeting for growth in the upcoming year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Elgin's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Finance Director, 310 N Main Street, Elgin, Texas 78621.

FINANCIAL STATEMENTS

City of Elgin, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 6,940,243	\$ 12,786,909	\$ 19,727,152
Restricted cash and cash equivalents	-	4,311,312	4,311,312
Receivables, net	930,257	713,427	1,643,684
Internal balances	(850,830)	850,830	-
Prepays	99,385	-	99,385
Total Current Assets	7,119,055	18,662,478	25,781,533
Due from component unit	413,337	13,195	426,532
Land held for sale	-	-	-
Capital assets:			
Non-depreciable	1,508,381	5,259,126	6,767,507
Net depreciable capital assets	27,341,528	27,972,695	55,314,223
Total Noncurrent Assets	29,263,246	33,245,016	62,508,262
Total Assets	36,382,301	51,907,494	88,289,795
Deferred Outflows of Resources			
Deferred charges on refunding	-	-	-
Pension outflows	356,871	114,795	471,666
OPEB outflows	34,270	11,024	45,294
Total Deferred Outflows of Resources	391,141	125,819	516,960

See Notes to Financial Statements.

Component Unit

	<u>Elgin</u>	<u>EDC</u>
\$	1,150,870	-
	192,249	-
	830	-
	<u>1,343,949</u>	-
	3,997,232	-
	1,308,429	-
	388,418	-
	<u>5,694,079</u>	-
	<u>7,038,028</u>	-
	4,940	-
	15,661	-
	1,504	-
	<u>22,105</u>	-

City of Elgin, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,167,162	\$ 875,343	\$ 2,042,505
Customer deposits	-	479,732	479,732
Accrued interest	115,196	332,035	447,231
Compensated absences, current	78,350	21,697	100,047
Long-term debt due within one year	1,031,721	1,231,381	2,263,102
	2,392,429	2,940,188	5,332,617
Noncurrent liabilities:			
Due to primary government	-	-	-
Net pension liability	1,433,931	461,254	1,895,185
OPEB liability	240,243	77,279	317,522
Compensated absences, noncurrent	8,706	2,411	11,117
Long-term debt due in more than one year	17,745,666	33,080,681	50,826,347
Total Noncurrent Liabilities	19,428,546	33,621,625	53,050,171
Total Liabilities	21,820,975	36,561,813	58,382,788
<u>Deferred Inflows of Resources</u>			
Deferred gain on refunding	21,074	1,469	22,543
Pension inflows	408,236	131,317	539,553
Total Deferred Inflows of Resources	429,310	132,786	562,096
<u>Net Position</u>			
Net investment in capital assets	9,610,805	12,841,884	22,452,689
Restricted for:			
Debt service	896,070	-	896,070
Grants	1,277,860	3,604,275	4,882,135
Economic development	967,305	-	967,305
Public safety	203,803	-	203,803
Other purposes	245,480	-	245,480
Unrestricted	1,321,834	(1,107,445)	214,389
Total Net Position	\$ 14,523,157	\$ 15,338,714	\$ 29,861,871

See Notes to Financial Statements.

Component Unit

Elgin

EDC

\$ 5,585

-

42,938

3,691

151,023

203,237

426,532

62,928

10,543

410

2,120,977

2,621,390

2,824,627

-

17,915

17,915

3,427,018

-

-

790,573

-

-

-

\$ 4,217,591

City of Elgin, Texas
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 2,262,076	\$ 2,812,688	\$ 1,703,563	\$ -
Public safety	3,522,877	219,500	-	-
Parks and recreation	2,199,876	267,710	186,281	-
Public works	2,050,533	-	194,591	1,238,355
Garbage	975,255	1,329,910	-	-
Building and code enforcement	144,814	-	-	-
Interest and fiscal charges	639,527	-	-	-
Total Governmental Activities	11,794,958	4,629,808	2,084,435	1,238,355
Business-Type Activities				
Utility fund	5,434,014	7,738,454	-	144,074
Total Business-Type Activities	5,434,014	7,738,454	-	144,074
Total Primary Government	\$ 17,228,972	\$ 12,368,262	\$ 2,084,435	\$ 1,382,429
Component Unit				
Elgin EDC	534,668	-	-	-
Total Component Unit	\$ 534,668	\$ -	\$ -	\$ -

General Revenues:

- Taxes
 - Property taxes
 - Sales taxes
 - Franchise and local taxes
- Investment income
- Other revenue

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Elgin EDC
\$ 2,254,175	\$ -	\$ 2,254,175	\$ -
(3,303,377)	-	(3,303,377)	-
(1,745,885)	-	(1,745,885)	-
(617,587)	-	(617,587)	-
354,655	-	354,655	-
(144,814)	-	(144,814)	-
(639,527)	-	(639,527)	-
<u>(3,842,360)</u>	<u>-</u>	<u>(3,842,360)</u>	<u>-</u>
-	2,448,514	2,448,514	-
-	2,448,514	2,448,514	-
<u>(3,842,360)</u>	<u>2,448,514</u>	<u>(1,393,846)</u>	<u>-</u>
			<u>(534,668)</u>
			<u>(534,668)</u>
4,484,498	-	4,484,498	-
2,022,908	-	2,022,908	1,011,454
676,312	-	676,312	-
15,245	16,953	32,198	3,680
29,174	-	29,174	4,836
(2,717,379)	2,717,379	-	-
<u>4,510,758</u>	<u>2,734,332</u>	<u>7,245,090</u>	<u>1,019,970</u>
668,398	5,182,846	5,851,244	485,302
13,854,759	10,155,868	24,010,627	3,732,289
<u>\$ 14,523,157</u>	<u>\$ 15,338,714</u>	<u>\$ 29,861,871</u>	<u>\$ 4,217,591</u>

City of Elgin, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2021

	General	Capital Projects	Debt Service
<u>Assets</u>			
Cash and cash equivalents	\$ 4,851,533	\$ -	\$ 709,478
Receivables, net	804,920	-	82,606
Prepays	58,790	-	-
Due from component unit	-	-	-
Due from other funds	-	-	186,086
Total Assets	\$ 5,715,243	\$ -	\$ 978,170
<u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 637,561	\$ 78,756	\$ -
Customer deposits - civic center	351,800	-	-
Due to other funds	186,086	843,297	-
Total Liabilities	1,175,447	922,053	-
<u>Deferred Inflows of Resources</u>			
Unavailable revenue:			
Property tax	142,573	-	82,100
Total Deferred Inflows of Resources	142,573	-	82,100
<u>Fund Balances</u>			
Nonspendable			
Prepays	58,790	-	-
Restricted for:			
Debt service	-	-	896,070
Grants	1,277,860	-	-
Tourism	-	-	-
Municipal court	-	-	-
Economic development	-	-	-
Public safety	-	-	-
Committed for:			
City improvements	-	-	-
Unassigned reported in:			
General fund	3,060,573	-	-
Capital projects	-	(922,053)	-
Total Fund Balances	4,397,223	(922,053)	896,070
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,715,243	\$ -	\$ 978,170

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,379,232	\$ 6,940,243
42,731	930,257
-	58,790
413,337	413,337
-	186,086
<u>\$ 1,835,300</u>	<u>\$ 8,528,713</u>
\$ 7,740	\$ 724,057
-	351,800
-	1,029,383
<u>7,740</u>	<u>2,105,240</u>
-	224,673
<u>-</u>	<u>224,673</u>
-	58,790
-	896,070
-	1,277,860
177,589	177,589
67,891	67,891
967,305	967,305
203,803	203,803
410,972	410,972
-	3,060,573
-	(922,053)
<u>1,827,560</u>	<u>6,198,800</u>
<u>\$ 1,835,300</u>	<u>\$ 8,528,713</u>

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City of Elgin, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2021

Fund Balances - Total Governmental Funds	\$	6,198,800
Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		1,508,381
Capital assets - net depreciable		27,341,528
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax		224,673
Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then.		
Pension contributions		356,871
OPEB contributions		2,067
OPEB (gains) losses		32,203
Internal service funds are used by management to charge the cost of contractual services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
Net position - governmental activities		(58,243)
Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.		
Pension investment earnings		(264,377)
Pension (gains) losses		(143,859)
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(115,196)
Deferred (gains) charges:		
On refunding		(21,074)
For bond premiums		(1,360,862)
Net pension liability		(1,433,931)
OPEB liability		(240,243)
Compensated absences		(87,056)
Bonds, notes, & capital leases		(17,416,525)
Net Position of Governmental Activities	\$	14,523,157

See Notes to Financial Statements.

City of Elgin, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	General	Capital Projects	Debt Service
<u>Revenues</u>			
Property tax	\$ 2,777,468	\$ -	\$ 1,488,091
Sales tax	2,022,908	-	-
Franchise and local taxes	544,924	-	-
License and permits	2,812,688	-	-
Intergovernmental	1,703,563	114,954	-
Fines and forfeitures	204,261	-	-
Garbage services	1,329,910	-	-
Investment income	7,367	-	4,743
Other revenue	216,796	186,281	-
Total Revenues	11,619,885	301,235	1,492,834
<u>Expenditures</u>			
Current:			
General government	1,825,795	-	18,059
Public safety	3,363,341	-	-
Community development	1,243,706	-	-
Parks and recreation	673,766	-	-
Public works	1,094,633	-	-
Garbage	975,255	-	-
Building and code enforcement	135,878	-	-
Capital outlay	-	1,389,922	-
Debt Service:			
Principal	-	-	1,020,945
Bond issuance costs	-	-	121,001
Interest and fiscal charges	-	-	359,869
Total Expenditures	9,312,374	1,389,922	1,519,874
Excess of Revenues			
Over (Under) Expenditures	2,307,511	(1,088,687)	(27,040)
<u>Other Financing Sources (Uses)</u>			
Bond issuance	-	-	5,514,000
Bond premium	-	-	843,877
Payment to refunding agent	-	-	(1,982,654)
Insurance proceeds	4,504	-	-
Proceeds from sale of assets	24,670	-	-
Transfers in	1,188,538	168,331	-
Transfers (out)	-	-	(4,325,444)
Total Other Financing Sources (Uses)	1,217,712	168,331	49,779
Net Change in Fund Balances	3,525,223	(920,356)	22,739
Beginning fund balances	872,000	(1,697)	873,331
Ending Fund Balances	\$ 4,397,223	\$ (922,053)	\$ 896,070

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 192,467	\$ 4,458,026
-	2,022,908
131,388	676,312
-	2,812,688
194,591	2,013,108
15,239	219,500
-	1,329,910
3,135	15,245
50,914	453,991
<u>587,734</u>	<u>14,001,688</u>
95,307	1,939,161
18,799	3,382,140
-	1,243,706
-	673,766
-	1,094,633
-	975,255
-	135,878
-	1,389,922
65,000	1,085,945
-	121,001
214,969	574,838
<u>394,075</u>	<u>12,616,245</u>
193,659	1,385,443
-	5,514,000
-	843,877
-	(1,982,654)
-	4,504
-	24,670
279,969	1,636,838
(25,000)	(4,350,444)
<u>254,969</u>	<u>1,690,791</u>
448,628	3,076,234
1,378,932	3,122,566
<u>\$ 1,827,560</u>	<u>\$ 6,198,800</u>

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City of Elgin, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

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

Net changes in fund balances - total governmental funds	\$	3,076,234
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		1,110,274
Depreciation expense		(1,528,560)
Developer contributions for street improvements		1,123,401

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

Property tax		26,472
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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 governmental funds.

Compensated absences		20,045
Accrued interest		6,478
Pension expense		144,906
OPEB expense		(13,165)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of deferred costs, premiums, discounts, and similar items when they are 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.

Amortization of deferred charges		(21,421)
Amortization of premium		50,074
Bond issuance		(5,514,000)
Bond premium		(843,877)
Current year refunding		2,003,835
Principal payments		1,085,945

Internal service funds are used by management to charge the cost of contractual services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

(58,243)

Change in Net Position of Governmental Activities	\$	668,398
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See Notes to Financial Statements.

City of Elgin, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUND
September 30, 2021

	Utility Fund	Governmental Activities Internal Service
<u>Assets</u>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 12,786,909	\$ -
Investments	4,311,312	-
Receivables, net	713,427	-
Prepaid expenses	-	40,595
Due from other funds	850,830	-
Total Current Assets	18,662,478	40,595
<u>Noncurrent Assets</u>		
Due from component unit	13,195	-
Capital assets:		
Non-depreciable	5,259,126	-
Net depreciable capital assets	27,972,695	-
Total Noncurrent Assets	33,245,016	-
Total Assets	51,907,494	40,595
<u>Deferred Outflows of Resources</u>		
Pension outflows	114,795	-
OPEB outflows	11,024	-
Total Deferred Outflows of Resources	125,819	-

City of Elgin, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUND (Continued)
September 30, 2021

	Utility Fund	Governmental Activities Internal Service
<u>Liabilities</u>		
<u>Current Liabilities</u>		
Accounts payable and accrued liabilities	\$ 875,343	\$ 91,305
Customer deposits	479,732	-
Due to other funds	-	7,533
Accrued interest	332,035	-
Compensated absences, current	21,697	-
Long-term debt due within one year	1,231,381	-
Total Current Liabilities	2,940,188	98,838
<u>Noncurrent Liabilities</u>		
Net pension liability	461,254	-
OPEB liability	77,279	-
Compensated absences, noncurrent	2,411	-
Long-term debt due in more than one year	33,080,681	-
Total Liabilities	36,561,813	98,838
<u>Deferred Inflows of Resources</u>		
Deferred gain on refunding	1,469	-
Pension inflows	131,317	-
Total Deferred Inflows of Resources	132,786	-
<u>Net Position</u>		
Net investment in capital assets	12,841,884	-
Restricted for:		
Capital projects	3,604,275	-
Unrestricted	(1,107,445)	(58,243)
Total Net Position	\$ 15,338,714	\$ (58,243)

See Notes to Financial Statements.

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City of Elgin, Texas

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

For the Year Ended September 30, 2021

	<u>Utility Fund</u>	<u>Governmental Activities Internal Service</u>
<u>Operating Revenues</u>		
Charges for services	\$ 7,681,825	\$ 1,518,299
Other revenue	56,629	-
Total Operating Revenues	<u>7,738,454</u>	<u>1,518,299</u>
<u>Operating Expenses</u>		
Personnel services	1,228,360	-
Materials and supplies	522,166	-
Maintenance	259,435	162,007
Contractual services	648,212	1,410,762
Depreciation	1,536,426	-
Total Operating Expenses	<u>4,194,599</u>	<u>1,572,769</u>
Operating Income (Loss)	<u>3,543,855</u>	<u>(54,470)</u>
<u>Nonoperating Revenues (Expenses)</u>		
Investment income	16,953	-
Interest expense	(948,390)	-
Bond issuance costs	(291,025)	-
Total Nonoperating Revenues (Expenses)	<u>(1,222,462)</u>	<u>-</u>
Income (Loss) Before Grants and Transfers	2,321,393	(54,470)
<u>Capital grants and Transfers</u>		
Grant reimbursements	144,074	-
Transfers in	4,047,396	-
Transfers (out)	(1,330,017)	(3,773)
Total Capital Grants and Transfers	<u>2,861,453</u>	<u>(3,773)</u>
Change in Net Position	5,182,846	(58,243)
Beginning net position	10,155,868	-
Ending Net Position	<u>\$ 15,338,714</u>	<u>\$ (58,243)</u>

See Notes to Financial Statements.

City of Elgin, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (Page 1 of 2)
For the Year Ended September 30, 2021

	<u>Utility Fund</u>	<u>Governmental Activities Internal Service</u>
<u>Cash Flows from Operating Activities</u>		
Receipts from customers	\$ 7,855,238	\$ 1,518,299
Receipts from other funds	(1,298,514)	7,533
Payments to employees	(1,255,283)	-
Payments to suppliers and contractors	(1,107,059)	(1,522,059)
Net Cash Provided by Operating Activities	4,194,382	3,773
<u>Cash Flows from Noncapital Financing Activities</u>		
Loan to component unit	2,070,402	-
Transfers in	4,047,396	-
Transfers (out)	(1,330,017)	(3,773)
Net Cash Provided (Used) by Noncapital Financing Activities	4,787,781	(3,773)
<u>Cash Flows from Capital and Related Financing Activities</u>		
Capital purchases	(4,632,697)	-
Grant reimbursements for infrastructure improvements	144,074	-
Proceeds from debt issuance	18,880,816	-
Current year debt refunding	(8,426,261)	-
Principal paid on debt	(990,844)	-
Debt issuance costs paid	(291,025)	-
Interest paid on debt	(898,932)	-
Net Cash Provided by Capital and Related Financing Activities	3,785,131	-
<u>Cash Flows from Investing Activities</u>		
Proceeds from sales and maturities of investments	2,662	-
Interest on investments	16,953	-
Net Cash Provided by Investing Activities	19,615	-
Net Increase in Cash and Cash Equivalents	12,786,909	-
Beginning cash and cash equivalents	-	-
Ending Cash and Cash Equivalents	\$ 12,786,909	\$ -

See Notes to Financial Statements.

City of Elgin, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (Page 2 of 2)
For the Year Ended September 30, 2021

	Utility Fund	Governmental Activities Internal Service
<u>Reconciliation of Operating Income</u>		
<u>to Net Cash Provided by Operating Activities</u>		
Operating Income	\$ 3,543,855	\$ (54,470)
Adjustments to reconcile operating income to net cash provided:		
Depreciation	1,536,426	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in:		
Accounts receivable	77,284	-
Prepaid expenses	-	(40,595)
Deferred Outflows of Resources:		
Pension outflows	12,213	-
OPEB outflows	(7,393)	-
Increase (Decrease) in:		
Accounts payable and accrued liabilities	322,754	91,305
Customer deposits	39,500	-
Due to other funds	(1,298,514)	7,533
Net pension liability	(100,994)	-
OPEB liability	35,694	-
Deferred Inflows of Resources:		
Pension inflows	42,168	-
OPEB inflows	1,469	-
Net Cash Provided by Operating Activities	\$ 4,194,382	\$ 3,773

See Notes to Financial Statements.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Elgin, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2) GENERAL FUND

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 3,059,082	\$ 3,024,965	\$ 2,777,468	\$ (247,497)
Sales tax	1,827,853	1,882,689	2,022,908	140,219
Franchise and local taxes	574,700	576,428	544,924	(31,504)
License and permits	880,600	3,232,600	2,812,688	(419,912)
Intergovernmental	111,000	417,295	1,703,563	1,286,268
Fines and forfeitures	328,650	239,650	204,261	(35,389)
Garbage services	1,309,653	1,309,653	1,329,910	20,257
Investment income	25,000	25,000	7,367	(17,633)
Other revenue	151,950	148,350	216,796	68,446
Total Revenues	8,268,488	10,856,630	11,619,885	763,255
Expenditures				
Current:				
General government	1,924,041	1,393,179	1,825,795	(432,616) *
Public safety	3,668,001	3,588,724	3,363,341	225,383
Community development	621,900	1,166,733	1,243,706	(76,973) *
Parks and recreation	899,205	830,668	673,766	156,902
Public works	1,305,459	1,279,991	1,094,633	185,358
Building and code enforcement	168,719	586,027	135,878	450,149
Garbage	949,163	949,163	975,255	(26,092) *
Total Expenditures	9,536,488	9,794,485	9,312,374	482,111
Revenues Over (Under) Expenditures	(1,268,000)	1,062,145	2,307,511	1,245,366

City of Elgin, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2) GENERAL FUND

For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources (Uses)</u>				
Transfers in	1,268,000	1,145,500	1,188,538	43,038
Insurance proceeds	-	-	4,504	4,504
Proceeds from sale of assets	-	-	24,670	24,670
Total Other Financing Sources (Uses)	<u>1,268,000</u>	<u>1,145,500</u>	<u>1,217,712</u>	<u>72,212</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 2,207,645</u>	3,525,223	<u>\$ 1,317,578</u>
Beginning fund balance			872,000	
Ending Fund Balance			<u>\$ 4,397,223</u>	

Notes to Required Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

City of Elgin, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Total pension liability			
Service cost	\$ 828,958	\$ 765,564	\$ 680,415
Interest	1,036,501	950,111	879,571
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(301,371)	58,712	(122,188)
Changes of assumptions	-	24,283	-
Benefit payments, including refunds of participant contributions	(675,753)	(425,278)	(445,392)
Net change in total pension liability	<u>888,335</u>	<u>1,373,392</u>	<u>992,406</u>
Total pension liability - beginning	<u>15,278,970</u>	<u>13,905,578</u>	<u>12,913,172</u>
Total pension liability - ending (a)	<u>16,167,305</u>	<u>15,278,970</u>	<u>13,905,578</u>
Plan fiduciary net position			
Contributions - employer	\$ 675,338	\$ 636,526	\$ 578,645
Contributions - members	343,559	319,179	283,844
Net investment income	980,509	1,659,100	(318,546)
Benefit payments, including refunds of participant contributions	(675,753)	(425,278)	(445,392)
Administrative expenses	(6,332)	(9,358)	(6,148)
Other	(247)	(280)	(321)
Net change in plan fiduciary net position	<u>1,317,074</u>	<u>2,179,889</u>	<u>92,082</u>
Plan fiduciary net position - beginning	<u>12,892,118</u>	<u>10,712,229</u>	<u>10,620,147</u>
Plan fiduciary net position - ending (b)	<u>\$ 14,209,192</u>	<u>\$ 12,892,118</u>	<u>\$ 10,712,229</u>
Fund's net pension liability (asset) - ending (a) - (b)	<u>\$ 1,958,113</u>	<u>\$ 2,386,852</u>	<u>\$ 3,193,349</u>
 Plan fiduciary net position as a percentage of the total pension liability	 88%	 84%	 77%
Covered-employee payroll	\$ 4,907,981	\$ 4,559,644	\$ 4,054,917
 Fund's net position as a percentage of covered-employee payroll	 40%	 52%	 79%

Notes to schedule:

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u> ¹
\$ 673,888	\$ 640,102	\$ 461,965	\$ 398,930
790,084	700,928	651,252	555,406
-	-	743,871	-
192,816	170,784	(30,970)	(176,486)
-	-	87,629	-
(223,243)	(192,514)	(164,323)	(203,702)
<u>1,433,545</u>	<u>1,319,300</u>	<u>1,749,424</u>	<u>574,148</u>
<u>11,479,627</u>	<u>10,160,327</u>	<u>8,410,903</u>	<u>7,836,755</u>
<u>12,913,172</u>	<u>11,479,627</u>	<u>10,160,327</u>	<u>8,410,903</u>
\$ 557,929	\$ 512,732	\$ 372,152	\$ 335,012
274,416	261,114	195,197	177,316
1,220,490	520,860	10,765	378,312
(223,243)	(192,514)	(164,323)	(203,702)
(6,319)	(5,878)	(6,556)	(3,949)
(320)	(317)	(324)	(325)
<u>1,822,953</u>	<u>1,095,997</u>	<u>406,911</u>	<u>682,664</u>
<u>8,797,194</u>	<u>7,701,197</u>	<u>7,294,286</u>	<u>6,611,622</u>
<u>\$ 10,620,147</u>	<u>\$ 8,797,194</u>	<u>\$ 7,701,197</u>	<u>\$ 7,294,286</u>
<u>\$ 2,293,025</u>	<u>\$ 2,682,433</u>	<u>\$ 2,459,130</u>	<u>\$ 1,116,617</u>

82%	77%	76%	87%
\$ 3,920,234	\$ 3,730,197	\$ 3,253,278	\$ 2,955,272
58%	72%	76%	38%

City of Elgin, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Fiscal Years Ended:

	9/30/2021	9/30/2020	9/30/2019
Actuarially determined employer contributions	\$ 668,359	\$ 652,733	\$ 618,539
Contributions in relation to the actuarially determined contribution	\$ 668,359	\$ 652,733	\$ 618,539
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Annual covered-employee payroll	\$ 4,844,440	\$ 4,727,169	\$ 4,408,953
Employer contributions as a percentage of covered-employee payroll	13.80%	13.81%	14.03%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational

Other Information:

Notes There were no benefit changes during the year.

<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	¹
\$ 575,213	\$ 546,356	\$ 501,785	\$ 357,594	
<u>\$ 575,213</u>	<u>\$ 546,356</u>	<u>\$ 501,785</u>	<u>\$ 357,594</u>	
\$ -	\$ -	\$ -	\$ -	
\$ 4,032,950	\$ 3,869,394	\$ 3,754,525	\$ 3,133,840	
14.26%	14.12%	13.36%	11.41%	

City of Elgin, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended:

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	¹
Total OPEB liability					
Service cost	\$ 25,521	\$ 20,062	\$ 19,464	\$ 17,249	
Interest	7,513	7,631	6,838	6,268	
Differences between expected and actual experience	(11,922)	(8,595)	(10,940)	-	
Changes of assumptions	47,244	47,116	(15,477)	16,939	
Benefit payments, including refunds of participant contributions	(1,472)	(1,368)	(811)	(785)	
Net change in total OPEB liability	<u>66,884</u>	<u>64,846</u>	<u>(926)</u>	<u>39,671</u>	
Total OPEB liability - beginning	<u>\$ 261,181</u>	<u>\$ 196,335</u>	<u>\$ 197,261</u>	<u>\$ 157,590</u>	
Total OPEB liability - ending	<u><u>\$ 328,065</u></u>	<u><u>\$ 261,181</u></u>	<u><u>\$ 196,335</u></u>	<u><u>\$ 197,261</u></u>	²
Covered-employee payroll	\$ 4,907,981	\$ 4,559,644	\$ 4,054,917	\$ 3,920,234	
City's total OPEB liability as a percentage of covered-employee payroll	6.68%	5.73%	4.84%	5.03%	

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

***COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES***

City of Elgin, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

	<u>Hotel/Motel Tax</u>	<u>Court Security & Technology</u>	<u>Elgin Main Street</u>	<u>Police/ Channel 10</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 151,937	\$ 67,941	\$ 66,241	\$ 190,387
Receivables	28,682	-	600	13,400
Due from component unit	-	-	-	-
Total Assets	\$ 180,619	\$ 67,941	\$ 66,841	\$ 203,787
<u>Liabilities</u>				
Accounts payable	\$ 6,108	\$ 50	\$ 1,582	\$ -
Total Liabilities	6,108	50	1,582	-
<u>Fund Balances</u>				
Restricted for:				
Tourism	174,511	-	-	-
Municipal court	-	67,891	-	-
Economic development	-	-	-	-
Public safety	-	-	-	203,787
Committed for:				
City improvements	-	-	65,259	-
Total Fund Balances	174,511	67,891	65,259	203,787
Total Liabilities and Fund Balances	\$ 180,619	\$ 67,941	\$ 66,841	\$ 203,787

Red Light Camera	TIRZ	Art Development	Construction Fund	Total
\$ 16	\$ 553,919	\$ 3,078	\$ 345,713	\$ 1,379,232
-	49	-	-	42,731
-	413,337	-	-	413,337
<u>\$ 16</u>	<u>\$ 967,305</u>	<u>\$ 3,078</u>	<u>\$ 345,713</u>	<u>\$ 1,835,300</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,740</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,740</u>
-	-	3,078	-	177,589
-	-	-	-	67,891
-	967,305	-	-	967,305
16	-	-	-	203,803
-	-	-	345,713	410,972
<u>16</u>	<u>967,305</u>	<u>3,078</u>	<u>345,713</u>	<u>1,827,560</u>
<u>\$ 16</u>	<u>\$ 967,305</u>	<u>\$ 3,078</u>	<u>\$ 345,713</u>	<u>\$ 1,835,300</u>

City of Elgin, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended September 30, 2021

	Hotel/Motel Tax	Court Security & Technology	Elgin Main Street	Police/ Channel 10
<u>Revenues</u>				
Property tax	\$ -	\$ -	\$ -	\$ -
Other taxes	103,103	-	-	28,285
Intergovernmental	-	-	-	-
Fines	-	15,239	-	-
Investment income	570	225	128	-
Other income	-	-	50,914	-
Total Revenues	103,673	15,464	51,042	28,285
<u>Expenditures</u>				
General government	69,688	-	20,417	-
Public safety	-	5,227	-	13,572
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	69,688	5,227	20,417	13,572
Revenues Over (Under) Expenditures	33,985	10,237	30,625	14,713
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Transfers (out)	(25,000)	-	-	-
Total Other Financing Sources (Uses)	(25,000)	-	-	-
Net Change in Fund Balances	8,985	10,237	30,625	14,713
Beginning fund balances	165,526	57,654	34,634	189,074
Ending Fund Balances	\$ 174,511	\$ 67,891	\$ 65,259	\$ 203,787

<u>Red Light Camera</u>	<u>TIRZ</u>	<u>Art Development</u>	<u>Construction Fund</u>	<u>Total</u>
\$ -	\$ 192,467	\$ -	\$ -	\$ 192,467
-	-	-	-	131,388
-	-	-	194,591	194,591
-	-	-	-	15,239
-	1,986	-	226	3,135
-	-	-	-	50,914
<u>-</u>	<u>194,453</u>	<u>-</u>	<u>194,817</u>	<u>587,734</u>
-	5,202	-	-	95,307
-	-	-	-	18,799
-	65,000	-	-	65,000
-	214,969	-	-	214,969
<u>-</u>	<u>285,171</u>	<u>-</u>	<u>-</u>	<u>394,075</u>
<u>-</u>	<u>(90,718)</u>	<u>-</u>	<u>194,817</u>	<u>193,659</u>
-	279,969	-	-	279,969
-	-	-	-	(25,000)
<u>-</u>	<u>279,969</u>	<u>-</u>	<u>-</u>	<u>254,969</u>
-	189,251	-	194,817	448,628
16	778,054	3,078	150,896	1,378,932
<u>\$ 16</u>	<u>\$ 967,305</u>	<u>\$ 3,078</u>	<u>\$ 345,713</u>	<u>\$ 1,827,560</u>

City of Elgin, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE FUND

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 1,612,601	\$ 1,594,620	\$ 1,488,091	\$ (106,529)
Investment income	3,500	3,500	4,743	1,243
Total Revenues	1,616,101	1,598,120	1,492,834	(105,286)
Expenditures				
General government	26,605	26,531	18,059	8,472
Debt Service:				
Principal	1,949,584	1,949,584	1,020,945	928,639
Interest and fiscal charges	1,324,052	1,320,208	359,869	960,339
Bond issuance costs	-	38,543	121,001	(82,458)
Total Expenditures	3,300,241	3,334,866	1,519,874	1,814,992
Other Financing Sources (Uses)				
Bond proceeds	-	-	5,514,000	5,514,000
Bond premium	-	-	843,877	843,877
Payment to refunding agent	-	-	(1,982,654)	(1,982,654) *
Transfers in	2,111,175	2,111,175	-	(2,111,175)
Transfers (out)	-	-	(4,325,444)	(4,325,444) *
Total Other Financing Sources (Uses)	2,111,175	2,111,175	49,779	(2,061,396)
Net Change in Fund Balance	\$ 427,035	\$ 374,429	22,739	\$ (351,690)
Beginning fund balance			873,331	
Ending Fund Balance			\$ 896,070	

Notes to Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.