

# **City of Hurst, Texas**

Annual Comprehensive Financial Report

Year Ended September 30, 2021

**Prepared by:**

**City of Hurst, Texas  
Finance Department**





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## **Introductory Section**







February 28, 2022

Honorable Mayor and City Council Members  
City of Hurst  
Hurst, Texas

The Annual Comprehensive Financial Report (ACFR) of the City of Hurst, Texas (City) for the fiscal year ended September 30, 2021 is attached. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included in the report.

This document is organized as prescribed by Governmental Accounting Standards Board pronouncement #34 (GASB 34). Accounting standards require the inclusion of a narrative introduction and an overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A, which is located immediately following the independent auditor's report.

The ACFR is presented in three parts comprised of the Introductory, Financial, and Statistical sections. The Introduction includes the transmittal letter, the City's organizational chart, and a list of principal officials. The Financial section includes the independent auditor's report, MD&A, basic financial statements, required supplementary information, and combining statements and individual fund schedules. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. In the future, the City will implement and incorporate new GASB pronouncements in the financial statements and notes according to their effective dates.

### **REPORTING ENTITY AND ITS SERVICES**

The City of Hurst is located in north central Texas, in northeast Tarrant County, approximately nine miles from downtown Fort Worth and eighteen miles from downtown Dallas on SH-121, Airport Freeway (also known as the North Tarrant Express). Hurst's centralized location provides quick access to both Dallas and Fort Worth metropolitan areas and is fifteen minutes away from one of the World's busiest airports, D/FW International. The City has a total land area of 10 square miles and is 97% developed.

Voters adopted the City of Hurst Home Rule Charter on December 29, 1956. The City operates under a Council-Manager form of government with the City Council consisting of a Mayor and six Council members elected at-large. Henry Wilson, a long-tenured Council Member, was elected Mayor in 2018. Five of the six at-large Council members are newly elected since 2018 and they have provided a fresh perspective to the Council's deliberations. The Council is very supportive of staff, and they are open to receiving input from the public through surveys, town hall meetings and public hearings. The City's management team, in turn, executes the Council's policy directives to achieve their strategic vision. In 2013, Hurst's Council was named the Council of the Year by the Texas City Management Association. The values and professionalism that helped Council earn the award in 2013 are consistently practiced by the current-day City Council.

The City provides a full range of services, including public safety (police, fire, emergency medical services, and animal services), public works (engineering, streets/drainage, and water/sewer), planning and community development (planning, building inspections, code enforcement, and neighborhood services), community services (parks, recreation, library, aquatics, and senior center), conference center, and other general administrative services. The Hurst-Euleless-Bedford, Birdville, and Grapevine-Colleyville Independent School Districts provide elementary and secondary education services within the City. The Tarrant County College Northeast Campus is also located within city limits.

## **ECONOMIC CONDITION AND OUTLOOK**

Going into year two of a post pandemic world, the City continued to follow its long-established conservative fiscal management policies, while attempting to safely restore services that were negatively impacted by the pandemic. Overall, the fiscal impact of the pandemic was not as severe as originally anticipated in 2020, and the City received supplemental financial support from Tarrant County through the federal government's Coronavirus Aid, Relief, and Economic Security (CARES) Act. Although it did not have a material impact to the City's finances, operations were impaired during the unprecedented winter storm in February 2021 that caused widespread power blackouts across most of the state. In 2021, property taxes continued to rise, sales taxes recovered, certain services were restored, and alternative revenue sources were sought, including opening a joint vaccine clinic at the Hurst Conference Center with Tarrant County. Council and the City's management team continue to monitor the ongoing impacts of the Covid-19 pandemic and will take decisive actions as needed to maintain the City's sound financial position.

Property taxes are a primary revenue source for General Fund operations, representing approximately 43% of total General Fund revenues in Fiscal Year 2020-2021. Appraised values were flat in Tax Year 2020, reflecting a stable housing market. However, to combat the negative financial impacts of the pandemic, Council increased the property tax rate. Accordingly, we budgeted a 6% increase in property tax revenues in fiscal year 2020-2021, increasing the Maintenance & Operations component of our tax rate by 2.6 cents, while holding the debt service component essentially flat. The City has refinanced outstanding debt in seven out of the last eleven fiscal years, with estimated savings of \$6.7 million.

Sales taxes are also a key revenue source for General Fund operations, representing approximately 29% of total General Fund revenues in Fiscal Year 2020-2021. The North East Mall and other quality shopping centers throughout the City have established Hurst as a major retail destination in Tarrant County, and the City is committed to pursuing economic development opportunities to sustain and enhance our sales tax base. In addition to the 1% General Fund sales tax, the City assesses voter approved half percent (half-cent) sales tax for crime control and prevention purposes, and a half percent (half-cent) sales tax for Community Services projects. Sales taxes increased by 11.3% in fiscal year 2020-2021, and were most likely buoyed by federal stimulus payments and by residents spending more time at home during the pandemic. Sales taxes have increased 17.3% in the first four months of fiscal year 2021-2022, reflecting the ongoing recovery from the pandemic. Despite these positive trends, however, economic uncertainty remains including the emergence of a new, more transmissible, variant of the Covid-19 virus, the reduction/termination of federal stimulus payments, ongoing supply chain issues, and rising inflationary pressures. Because of the volatile nature of sales taxes, which have been heightened by the impacts of the pandemic, our budget is set at an amount equal to prior year returns minus a budgeted contingency, usually between \$500,000 to \$1,000,000. In fiscal year 2020-2021, sales tax revenues for the General Fund were \$2 million above the low seen in fiscal year 2009-2010 during the Great Recession and \$2.8 million over budget. The benefits of this conservative approach are reflected in the strength of the included financial statements and the City's bond ratings.

While program/service levels were restored at full or modified levels in Fiscal Year 2020-2021, General Fund fee revenues continued to be impacted by the pandemic. Community Services fees, including activities/events at the City's Recreation Center, two Aquatics Centers, Senior Center and Athletic Fields were up by \$503,000 in Fiscal Year 2020-2021, while inspection fees were up by \$42,000. However, despite this positive trend, collections remained below pre-pandemic levels. Therefore, operating costs were adjusted to offset the loss/reduction of these fees. Municipal Court fines were down by \$349,000 and franchise fees were down by \$108,000 in Fiscal Year 2020-2021. Although certainly impacted by the pandemic, Municipal Court fines have been trending down over the past several years for various reasons including alternative, non-monetary, ways to satisfy fines owed. Telephone and Cable Franchise Fees were also impacted by the recent passage of Senate Bill 1152, which allows telecom providers who offer both phone and cable service to only pay the higher of the two associated franchise fees to the City.

Over the past several years, as part of its "Transforming Hurst" redevelopment initiative, the City has constructed a new fire station, senior center, conference center, animal services and adoption center and dog park. The City also completely remodeled its Justice Center and two Aquatics Centers. Further, in 2016-2017, the City drafted a Redevelopment Plan that identified thirteen areas across the City to consider for development/redevelopment in the coming years. These initiatives have spurred surrounding private sector development, including the opening of two new hotels - Hilton Garden Inn and Candlewood Suites, and two new apartment communities - Provision at North Valentine and Provision at Patriot Place. One additional apartment community aimed at the City's growing Senior population, Gala at Central Park, is under construction and hopes to open in the first half of 2022. Overall, the City welcomed 132 new businesses to town in 2020-2021, including Rally House, which features officially licensed college and professional sports apparel, restaurants Hawaiian Bros and Comal Street Tacos, and Nothing Bundt Cakes bakery.

Citywide, retail space was 94% occupied. While the North East Mall has been impacted by the Covid-19 virus as well as other factors, such as new shopping options available in surrounding cities, it began 2021 at 95% occupied. The City is working with the owners of the North East Mall, Simon Property Group, to ensure that it remains an integral part of our community going forward.

The General Fund budget for fiscal year 2021-2022 increased by 4.4% over the previous year's adopted budget. The fiscal year 2021-2022 budget restores services/programs to pre-pandemic levels and includes a 2.5% cost of living adjustment. Despite these adjustments, the fiscal year 2021-2022 budget only represents a 1.1% increase over the fiscal year 2019-2020 pre-pandemic budget. The General Fund budget for fiscal year 2021-2022 is balanced through increased property and sales tax revenues.

The City has developed a proactive, multi-level Fiscal Management Plan that has been utilized during times of financial instability, such as the Great Recession and the current Covid-19 Pandemic. The City Manager and Fiscal Services' staff monitor revenues/expenditures daily and take appropriate actions as economic conditions change. This conservative and proactive approach provides financial stability and allows the City to maintain quality services and programs.

## **MAJOR INITIATIVES**

**FISCAL YEAR 2020-2021** - During the past fiscal year, the City of Hurst implemented and completed several major projects and programs. Departmental missions and programs are highlighted as follows:

The Legislative and Judicial Services Department includes the Legislative, Public Information and Judicial Divisions. In 2020-2021, the Legislative Division worked to effectively represent the residents of Hurst and improve the quality of life throughout the City. The Public Information Division administers elections, prepares agendas for and minutes of City Council meetings, and oversees public records. In 2020-2021, the Public Information Division administered the City's general and special elections, completed a legal review and updated the City's electronic code of ordinances, and managed the board, commission and committee appointment process. The Judicial Division provides just and impartial disposition of all cases filed in the Hurst Municipal Court. In 2020-2021, the Judicial Division continued its efforts to improve operational effectiveness and efficiency, installed new security equipment, and established new Covid related policies, procedures and processes for in-person and virtual court hearings.

The Administration Department effectively executes City Council policies, programs and directives, conducts City operations in an efficient and effective manner and responds promptly to citizen inquiries and requests. In 2020-2021, Administration managed the ongoing operational and budget impacts of the Covid-19 virus, and communicated timely information to the public, City Council and staff.

The Economic Development Division seeks to expand the local economy by retaining existing businesses and attracting new businesses to Hurst. As evidence of their efforts, in 2020-2021 voters approved a ballot initiative to allow the legal sale of all alcoholic beverages for off-premise consumption and Economic Development helped find locations for four of these stores. Also, Economic Development informed local businesses impacted by the Covid-19 virus about federal stimulus funding opportunities.

The Hurst Conference Center (<https://hurstcc.com/>) is a state of the art facility with over 50,000 square feet of event space. The Conference Center offers technologically advanced audio/visual services and exceptional on-site catering and is an ideal location for meetings, trade shows and events welcoming up to 900 guests. In addition, a new 140-room hotel that connects to the Conference Center, Hilton Garden Inn, opened in the summer of 2018. Although bookings at the Conference Center were significantly impacted by the Covid-19 virus, staff mitigated the financial impacts by hosting a joint vaccine clinic with Tarrant County and the cities in the Northeast Fire Department Association (NEFDA), lowering operational expenses, creating socially distanced floor plans and other Covid related safety protocols, and providing unique offerings such as holiday to-go meals and an outdoor movie series.

The Public Works Department provides quality services to citizens through water, wastewater, drainage and traffic systems, while maintaining a safe and efficient working environment. In 2020-2021, the Engineering Division oversaw the ongoing Pipeline Road expansion project, applied for multiple street, sidewalk and trail projects as part of Tarrant County's 2021 Transportation Bond Program, completed design and began construction of the 46<sup>th</sup> year Community Development Block Grant (CDBG) project on Livingston Drive, and reviewed numerous private development projects. To maintain the City's 148 miles of paved concrete and asphalt streets, the Streets/Drainage Division overlaid 5 lane miles of road surface and crack sealed 18.3 lane miles of road surface. To maintain the City's

204 miles of water mains and related distribution infrastructure, the Water Division cleaned and inspected three ground and two elevated storage tanks, and installed aeration units in three elevated storage tanks to assist in maintaining water quality. As a result of its efforts, the City continues to be recognized by the Texas Commission on Environmental Quality as a "Superior Public Water System." To maintain the City's 153 miles of sanitary sewer lines, the Wastewater Division managed the City's Sanitary Sewer Overflow Initiative program by cleaning 118 miles of sewer main, root treating 3.2 miles of sewer main, and completing 11 main repairs.

The Fiscal Services Department provides fiscally responsible control and guidance over all financial matters of the City. In 2020-2021, the City maintained its strong credit ratings and refunded outstanding debt resulting in net present value savings of \$1.4 million. Fiscal Services received its forty-seventh Certificate of Achievement for Excellence in Financial Reporting Award and its thirty-third consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association.

The Utility Billing Division manages billing/collections for water, wastewater, sanitation and recycling services offered by the City. Staff reads over 12,000 meters each month. In 2020-2021, senior management reviewed the organizational structure and job descriptions of Utility Billing staff and implemented changes to increase efficiencies and enhance customer service.

The Information Technology Division maintains the City's technology infrastructure, and in 2020-2021, they deployed technology to allow staff to work from home where needed and for Council to conduct remote meetings, facilitated the installation of technology infrastructure at the new animal services and adoption center, and upgraded the access security readers at all City facilities.

The Planning and Community Development Division coordinates the review of zoning, site plan and plat proposals, and is responsible for Code Enforcement activities. In 2020-2021, the Division implemented new permitting software, EnerGov, to create efficiencies for staff and online functionality for customers, and published a new interactive zoning tool to help developers and prospective businesses understand zoning restrictions.

The Equipment Services Division supports all City Departments by maintaining, repairing and replacing City equipment. Equipment Services is responsible for 274 pieces of equipment, and in 2020-2021, they performed preventive maintenance on 550 pieces of equipment and completed 1,300 equipment repairs.

The Human Resources Department partners with management and staff to serve all employees with excellence in such areas as employee relations, strategic planning, policy administration, and pay and benefits administration. In 2020-2021, Human Resources hosted leadership roundtables for supervisors, and assisted the Fire Department in implementing new timekeeping software. Human Resources responded to the pandemic by developing a virtual new employee orientation, providing enhanced mental health support options for employees, advising employees about unemployment claims fraudulently filed on their behalf, and coordinating the staffing plan for the joint vaccine clinic at the Hurst Conference Center.

The Police Department is dedicated to providing exceptional service to its citizens and employees through a problem solving approach emphasizing a commitment to "Excellence through Teamwork." The Department's budget is supplemented by a .5% (half-cent) anti-crime sales tax that generated approximately \$5.6 million in 2020-2021. Despite the ongoing impacts of the pandemic, the Department continued to provide responsive police services in 2020-2021, oversaw the completion of the new animal services and adoption center, and relocated Community Services staff from a leased storefront to the Justice Center.

The Fire Department is committed to excellence through ongoing training and provides aggressive fire prevention, professional fire protection, rescue, emergency medical service, hazardous material response and emergency management. In 2020-2021, Covid-19 preparedness and response was a major focus for much of the year, including staffing of vaccination sites at the Hurst Conference Center and Tarrant County College. In addition to its pandemic response, the Fire Department established a debris management plan with surrounding cities, developed a charity care policy for those that cannot afford ambulatory service fees, responded to approximately 2,030 fire related calls, approximately 3,330 EMS related calls, and completed approximately 40 fire inspections. The Fire Department also continued its annual ambulance subscription service for Hurst families that covers EMS costs not covered by insurance, and it continued to participate in the Northeast Fire Department Association, which was created to combine/share the resources of local participating fire departments.

The Community Services Department offers recreational and educational opportunities to residents and non-residents alike at the City's 23 parks, 2 recently remodeled aquatics centers, a senior center, recreation center and library. The Community Services Budget is supplemented by a .5% (half-cent) sales tax that generated approximately \$5.6 million in 2020-2021. While Covid-19 still impacted operations, Community Services safely re-opened its facilities in 2020-2021 with reduced hours/capacity where necessary. Staff took various innovative actions to maintain continuity of service including scheduling appointments for computer center services and offering curbside pick-up at the Library, and offering virtual recreation and Senior Center programming. Despite these set-backs, Community Services oversaw the completion of two major projects in 2020-2021 - the new animal services and adoption center and the new dog park. In 2020-2021, Community Services also established a marketing committee to oversee the publications of the Senior, Recreation and Parks divisions, and the Senior Center added in-person special interest programming including a Monthly Book Club and Tai Chi.

**FISCAL YEAR 2021-2022** – The following section highlights a few of the initiatives planned for next fiscal year:

- Economic Development will work with local businesses to re-establish their customer base post pandemic, work with landlords, real estate developers and retailers to backfill vacated retail space, and continue working with Simon Property Group on determining the highest and best use for the North East Mall. Economic Development will also consider land acquisition opportunities that facilitate ongoing redevelopment efforts.
- The Hurst Conference Center will build upon relationships with City departments and outside agencies developed during the pandemic, and maintain enhanced sanitizing procedures. The Center will continue to focus on capital investments to maintain the building's features, equipment, and fixtures.
- Engineering will complete construction of its 46<sup>th</sup> Year Community Development Block Grant project, and continue its work on the Pipeline Road expansion project. Additionally, Engineering will begin design of approved 2021 Tarrant County Transportation Bond Program projects, and complete construction of the North Precinct Line Road Elevated Storage Tank Rehab and Repaint project.
- Finance will monitor the ongoing city-wide financial impacts of the pandemic and the associated federal stimulus funds received, debt refunding opportunities and the need for new debt issuance, and new accounting standards. Finance will also publish a revised purchasing manual and provide training to end users, and outsource the printing and mailing of water bills.
- Information Technology will oversee the upgrade of the City's financial system and wireless infrastructure, and continually assess cyber-security threats and the adequacy of the City's defenses against them.
- Planning and Community Development will finish scanning in thousands of pages of building plans to expedite public information requests, and increase their presence in the community by promoting the Property Pride Award program that recognizes outstanding property maintenance.
- Human Resources will continue its collaboration with the Hurst Way Advocacy team to offer employee development opportunities including quarterly supervisor training and Executive Director Roundtables.
- Police will continue to provide excellent and responsive services, establish a Mid-Cities drug task force, and implement an agreement with the Humane Society of North Texas to co-staff the new animal services and adoption center.
- Fire will continue to evaluate its firefighter health and safety programs, look for expanded training opportunities, and monitor the financial sustainability of its operations.
- Community Services will continue implementing recommendations from the Resource Allocation Study, including adjusting Recreation, Parks and Senior Center fees and developing a consistent non-resident fee policy. Parks will implement software to manage ongoing maintenance, and Recreation will evaluate expanding its athletic and adult fitness programming, including Adult Sand Volleyball.

## **FINANCIAL INFORMATION**

Management of the City is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the City are protected from loss, theft, or misuse and to insure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control system should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

## **RISK MANAGEMENT**

The City remains committed to leadership and cultural management programs that promote ethical and professional behavior. The City's executive management team and City Council are fully committed to The Hurst Way and The Code of Ideals.

The City maintains budgetary controls, including an encumbrance accounting system, to insure that actual expenditures do not exceed budgeted (appropriated) amounts. These budgetary controls are established at the fund level.

To assist with ongoing oversight, key members of the City Manager's Office and Fiscal Services meet monthly to review the City's financial statements. The City has also engaged an outside consultant who employs various techniques, including data analysis, to identify potential control weaknesses.

To insure that the financial statements are fairly presented in accordance with generally accepted accounting principles, the City Council engaged BKD CPAs and Advisors to conduct an independent audit of our financial statements for the fiscal year ending 9/30/2021.

## **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hurst for its annual comprehensive financial report (ACFR) for fiscal year ended September 30, 2020. This was the 47th year that the government has achieved this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGMENTS**

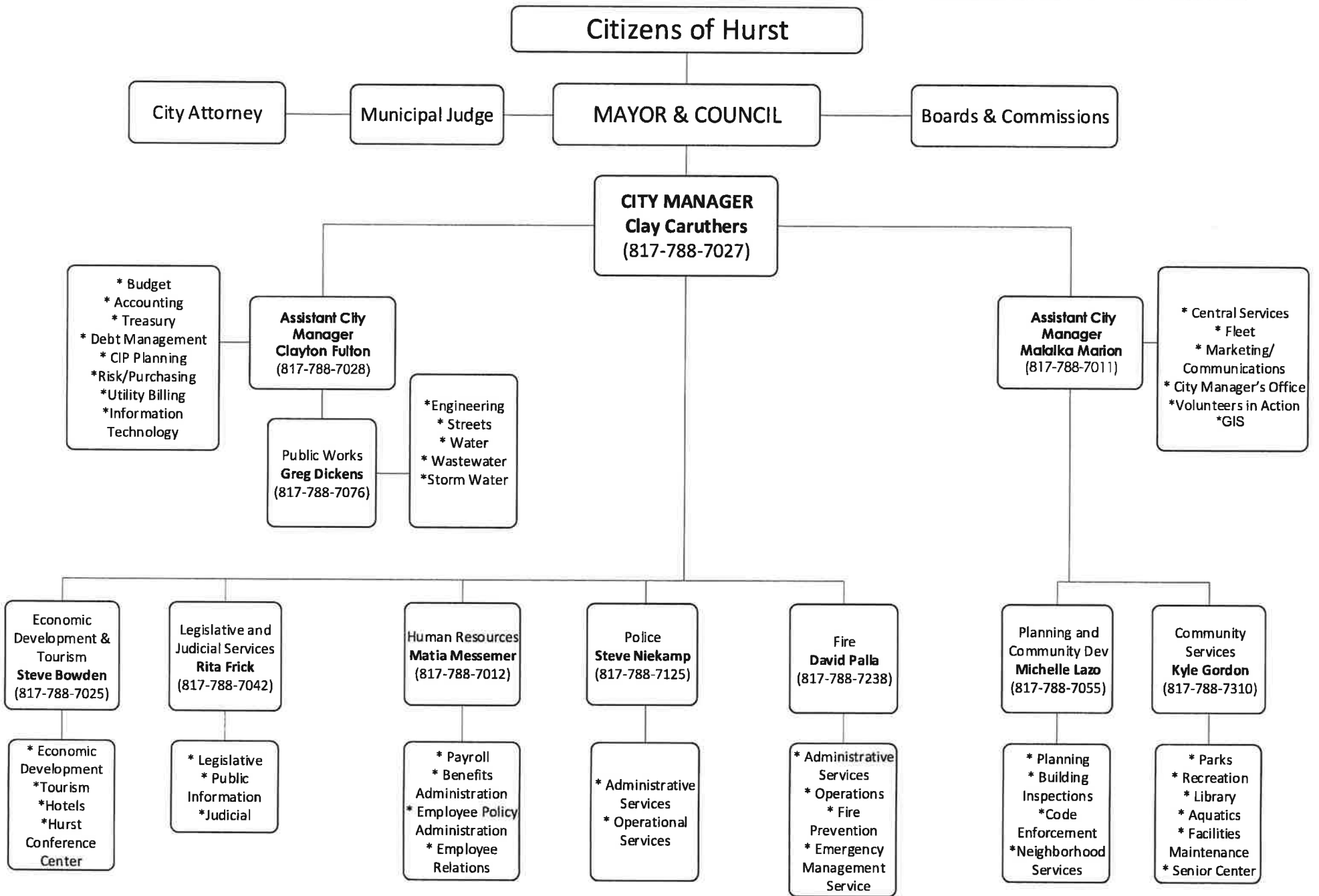
The preparation of the ACFR on a timely basis could not be accomplished without the dedicated efforts of the Fiscal Services Department staff. Appreciation is expressed to all members of the department who contributed to its preparation. I would like to especially thank Paul Brown, Managing Director of Finance, for overseeing the year-end audit process. The Mayor and members of the City Council are thanked for their strong leadership and support, especially during these challenging times, in planning and providing the resources necessary to conduct the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,

  
Clay Caruthers  
CITY MANAGER

# CITY OF HURST

Rev. 09/19







**CITY OF HURST**  
**LIST OF PRINCIPAL OFFICIALS**

**September 30, 2021**

***CITY COUNCIL***

Henry Wilson	<i>Mayor</i>
Cathy Brotherton	<i>Mayor Pro Tem</i>
David Booe	<i>Councilmember</i>
John Miller	<i>Councilmember</i>
Jon McKenzie	<i>Councilmember</i>
Gary Waldron	<i>Councilmember</i>
Cindy Shepard	<i>Councilmember</i>

***MANAGEMENT TEAM***

Clay Caruthers	<i>City Manager</i>
Clayton Fulton	<i>Assistant City Manager</i>
Malaika Farmer	<i>Assistant City Manager</i>
David Palla	<i>Fire Chief</i>
Steve Niekamp	<i>Police Chief</i>
Rita Frick	<i>City Secretary</i>
Gregory Dickens	<i>Executive Director Public Works</i>
Steve Bowden	<i>Executive Director Economic Development</i>
Matia Messemer	<i>Executive Director of Human Resources</i>
Michele Lazo	<i>Executive Director Planning &amp; Community Development</i>
Kyle Gordon	<i>Executive Director of Community Services</i>
Paul Brown	<i>Managing Director Finance</i>

Matthew Boyle	<i>City Attorney</i>
BKD CPAs & Advisors	<i>Auditors</i>





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Hurst  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO



## **Financial Section**



## Independent Auditor's Report

To the Honorable Mayor,  
City Council and City Manager  
City of Hurst, Texas

### Report on the Financial Statements

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

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

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

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We 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.



### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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.

### ***Other Matters***

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

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

### ***Other Information***

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

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

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

To the Honorable Mayor,  
City Council and City Manager  
Page 3

***Prior-Year Comparative Information***

The 2021 financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended September 30, 2020, from which such summarized information was derived.

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

In accordance with *Government Auditing Standards*, we also have issued our report dated February 28, 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.

**BKD, LLP**

Dallas, Texas  
February 28, 2022



## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of City of Hurst's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2021. Please read this in conjunction with the transmittal letter and the City's basic financial statements following this section.

### FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources for the City of Hurst exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended September 30, 2021, by \$196,530,248. Of this amount, \$26,492,634 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's net position increased \$7,642,835, an increase of 4.05%. The net position of business-type activities increased by \$2,482,819 or 4.71%, primarily due to operating revenues exceeding operating expenses. Net position of the City's governmental activities increased by \$5,160,016 or 3.79%. Although property taxes remained strong and sales taxes rebounded, hotel/motel occupancy taxes were still recovering from the negative impacts of Covid-19 in FY21. And while the City either fully or partially restored its services in FY21, fees charged for these services did not fully recover from pre-pandemic levels. Further, court fees continued a downward trend, franchise fees declined due in part to a new state law that reduced telephone/video franchise fees, interest earnings declined due to the ongoing low interest rate environment, and grant revenues declined due to the termination of one grant and one-time CARES Act proceeds received in the previous fiscal year.

The City's business-type activities are made up of water and sewer delivery, storm water management and Hurst Conference Center (HCC) operations. The Water and Sewer Fund ended the year with an operating income of \$2,158,058 and after transfers and contributions achieved an ending increase in net position of \$2,306,970. The Storm Water Management Fund provides for annual infrastructure maintenance and continues to accumulate reserves for large-scale projects identified in the City's Capital Improvements Plan (CIP). The Storm Water Management Fund contributed \$185,610 to the change in net position of business-type activities. HCC experienced a net decrease in net position of \$34,852. The City's objective is for the HCC to remain around "break-even" operationally with economic development sales tax and hotel/motel occupancy tax supporting the center's debt. While the HCC was impacted by the ongoing pandemic in FY21, key personnel were retained, expenditures were closely monitored and a healthy cash balance was maintained. Revenues from events were supported by the Covid-19 vaccination hub sponsored by Tarrant County. Going forward, as operations return to normal, the City will strategically reinvest net operating proceeds back into the facility to ensure that it remains a vibrant component of the Hurst Town Center. The Hurst Public Facility Corporation, a new fund in 2021, increased net position by \$195,057.

Total cost of all of the City's programs was \$69,127,590 in 2021 compared to \$73,853,923 in 2020.

During the year, the City had governmental program expenses of \$46,573,286, which is less than program and general revenues, contributions and transfers of \$51,733,302. Governmental services/programs were either partially or fully restored in FY21 and expenditures rose in accordance with this increased activity.

The business-type activities had program expenses and transfers out of \$22,653,743, which were covered by operating revenues and contributions of \$25,136,562. Water/Sewer expenditures were contained in FY21, while water/sewer revenues were in line with totals seen over the last five fiscal years.

## USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 13 through 14) provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements start on page 15. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most financially significant funds.

## REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins on page 13. One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in them. You can think of the City's net position, the difference between assets and deferred outflows, what the citizens own, and liabilities and deferred inflows, what the citizens owe, as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position are one indicator of its *financial health*. You will need to consider other non-financial factors, however, such as changes in the City's tax base, and the condition of the City's capital assets (roads, buildings and water and sewer lines) to assess the *overall health* of the City.

For the governmental funds, fund balance decreased by \$698,588. Revenues increased by \$1,083,756 while expenditures increased by \$1,393,142 and other financing sources and uses decreased by \$1,122,176. Revenues were positively impacted by rising property and sales taxes, the reopening of city facilities following the initial closures at the onset of the pandemic, and a receivable from Tarrant County for the Vaccine Clinic hosted by the HCC. Expenditures were impacted by several large capital investments made during FY21, including the construction of a new animal shelter and dog park, miscellaneous street reconstruction projects, and Highway 10 median landscaping. Other financing sources and uses are impacted by year-end transfers from the General and Water and Sewer Fund to the Special Projects and Loss Reserve Funds and by the issuance of debt.

In the Statement of Net Position and the Statement of Activities we divide the City into two kinds of activities:

**Governmental Activities:** most of the City's basic services are reported here, including the police, fire, municipal court, street maintenance, parks and recreation, financial services and general administration. Property taxes, sales taxes, charges for services, and fines/forfeitures finance most of these activities.

**Business-type Activities:** the City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's water and sewer system, storm water management activities, conference center operations, and public facility corporation activities are reported here.

## **Reporting the City's Most Significant Funds (Fund Financial Statements)**

Our analysis of the City's major funds begins on page 15. The governmental funds financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law. However, the City Council establishes many other funds to help it control and manage activity for particular purposes or to show that it is meeting legal responsibilities for using certain revenues. Understanding a fund's origin and purpose is essential for the appropriate presentation of fund balance per GASB 54, *Fund Balance Reporting and Government Fund Type Definitions*.

The City's two primary types of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds: Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations following the fund financial statements.

Proprietary Funds: When the City charges customers for the full cost of the services it provides, whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise funds (a component of business-type funds) are the same as the business-type activities we report in the government-wide statements (except for any proration of net income or loss from internal service funds) but provide more detail and additional information, such as cash flows, for proprietary funds.

## THE CITY AS A WHOLE

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 of resources by \$196,335,191, as of September 30, 2021.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 82,562,977	\$ 75,795,259	\$ 24,745,848	\$ 22,883,333	\$ 107,308,825	\$ 98,678,592
Capital assets	155,208,331	156,060,131	47,905,001	48,314,737	203,113,332	204,374,868
Total assets	237,771,308	231,855,390	72,650,849	71,198,070	310,422,157	303,053,460
Deferred outflows of resources	6,050,907	5,791,532	1,339,937	1,275,913	7,390,844	7,067,445
Long-term liabilities	79,034,117	83,041,126	11,838,241	12,998,469	90,872,358	96,039,595
Other liabilities	16,280,053	10,976,113	5,619,347	5,331,596	21,899,400	16,307,709
Total liabilities	95,314,170	94,017,239	17,457,588	18,330,065	112,771,758	112,347,304
Deferred inflows of resources	7,091,358	7,373,012	1,419,637	1,513,176	8,510,995	8,886,188
Net position						
Net investment in						
Capital assets	107,239,312	109,339,694	41,558,248	42,263,651	148,797,560	151,603,345
Restricted	21,240,054	19,240,287	-	-	21,240,054	19,240,287
Unrestricted	12,937,321	7,676,690	13,555,313	10,367,091	26,492,634	18,043,781
Total net position	\$ 141,416,687	\$ 136,256,671	\$ 55,113,561	\$ 52,630,742	\$ 196,530,248	\$ 188,887,413

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenues</b>						
General Revenue						
Sales taxes	\$ 21,380,866	\$ 19,777,236	\$ -	\$ -	\$ 21,380,866	\$ 19,777,236
Franchise taxes	2,563,184	2,669,328	-	-	2,563,184	2,669,328
Property taxes	20,519,930	18,389,781	-	-	20,519,930	18,389,781
Occupancy taxes	613,169	660,845	-	-	613,169	660,845
Investment earnings	136,883	1,160,273	66,223	346,862	203,106	1,507,135
Miscellaneous	983,535	692,722	-	-	983,535	692,722
Program revenue						
Charges for service	3,547,125	3,438,987	24,665,623	24,687,038	28,212,748	28,126,025
Operating grants and contributions	1,889,171	3,270,198	-	-	1,889,171	3,270,198
Capital grants and contributions	-	-	404,716	466,764	404,716	466,764
Total revenues	<u>51,633,863</u>	<u>50,059,370</u>	<u>25,136,562</u>	<u>25,500,664</u>	<u>76,770,425</u>	<u>75,560,034</u>
<b>Program Expenses Including Indirect Expenses</b>						
General government	4,958,838	6,919,302	-	-	4,958,838	6,919,302
Public safety	24,389,940	25,752,945	-	-	24,389,940	25,752,945
Culture and recreation	11,383,530	10,637,396	-	-	11,383,530	10,637,396
Public works	4,116,324	4,929,958	-	-	4,116,324	4,929,958
Interest on debt	1,724,654	1,135,394	-	-	1,724,654	1,135,394
Water and sewer	-	-	19,737,759	21,415,506	19,737,759	21,415,506
Stormwater management	-	-	932,360	911,776	932,360	911,776
Hurst Public Facility Corporation	-	-	6,189	-	6,189	-
Conference and meeting center	-	-	1,877,996	2,151,646	1,877,996	2,151,646
Total expenses	<u>46,573,286</u>	<u>49,374,995</u>	<u>22,554,304</u>	<u>24,478,928</u>	<u>69,127,590</u>	<u>73,853,923</u>
<b>Excess Before Transfers</b>	5,060,577	684,375	2,582,258	1,021,736	7,642,835	1,706,111
<b>Transfers</b>	<u>99,439</u>	<u>100,000</u>	<u>(99,439)</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	5,160,016	784,375	2,482,819	921,736	7,642,835	1,706,111
<b>Net Position Beginning</b>	<u>136,256,671</u>	<u>135,472,296</u>	<u>52,630,742</u>	<u>51,709,006</u>	<u>188,887,413</u>	<u>187,181,302</u>
<b>Net Position Ending</b>	<u>\$ 141,416,687</u>	<u>\$ 136,256,671</u>	<u>\$ 55,113,561</u>	<u>\$ 52,630,742</u>	<u>\$ 196,530,248</u>	<u>\$ 188,887,413</u>

Net position of the City's governmental activities increased by \$5,160,016, equaling \$141,416,687 at September 30, 2021 compared to \$136,256,671 at September 30, 2020.

For the net position of the City's Governmental Activities, Net Investment in Capital Assets and Restricted Net Position decreased by a combined \$100,615, while Unrestricted net position increased by \$5,260,631, largely due to an increase in sales tax revenues. Due to uncertainty caused by the pandemic as well as the potentially volatile nature of sales tax revenues generally, budgeted sales tax revenues were conservatively estimated for FY21. As a result, actual sales tax revenues exceeded budget by \$5.3 million. Unrestricted net position can be used to finance the day-to-day operations of the City, while the use of restricted net position is constrained by debt covenants, enabling legislation, or other legal requirements. Restricted net position is primarily used for public safety, community development, tourism, transit activities, capital projects, and debt service.



The net position of the City’s business-type activities increased by \$2,482,819 or 4.7% in 2021 to \$55,113,561 compared to \$52,630,742 in 2020. Operating income of \$2,347,508 occurred before transfers and contributions. Water and sewer rates were held flat for fiscal year 2020-2021. Water and sewer activity income is heavily influenced by weather patterns. Overall, the Water & Sewer Fund remains fiscally sound.

## THE CITY’S FUNDS

The following schedule presents a summary of general, special revenue, capital projects/special projects and debt service revenues and expenditures for the fiscal year ended September 30, 2021, and the amount and percentage of increases and decreases in relation to the prior year.

<b>Revenues</b>	<b>FY2021 Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from FY2020</b>	<b>Percent Increase (Decrease)</b>
Taxes	\$ 44,978,994	88.39%	\$ 3,481,804	8.39%
Licenses and permits	861,307	1.69%	50,037	6.17%
Intergovernmental	1,889,171	3.71%	(1,381,027)	-94.93%
Charges for services	1,620,203	3.18%	165,495	14.11%
Fines and forfeitures	700,005	1.38%	(473,004)	-14.46%
Interest	103,865	0.20%	(871,966)	-89.36%
Miscellaneous	<u>732,308</u>	<u>1.44%</u>	<u>112,417</u>	<u>18.13%</u>
Total revenues	<u>\$ 50,885,853</u>	<u>100.00%</u>	<u>\$ 1,083,756</u>	

The increase in taxes was driven by rising property values and a surge in sales tax revenues following the initial downturn caused by the pandemic. The decline in intergovernmental revenues was caused by the one-time nature of Cares Act proceeds received in FY20, which was partially offset by a receivable from Tarrant County for hosting the Vaccine Clinic at the HCC. The increase in charges for services fees was driven by the reopening of community services programs/facilities following the onset of the pandemic, which was partially offset by a decline in Senior Center fees and one-time ambulance revenues received in FY20. The decline in Fines and forfeitures was driven by court fees, which have been trending downward since their peak in FY13. Interest earnings have declined due to the ongoing low interest rate environment.

<b>Expenditures</b>	<b>FY2021 Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from FY2020</b>	<b>Percent Increase (Decrease)</b>
General government	\$ 3,936,667	7.75%	\$ (785,413)	-16.63%
Public safety	23,142,038	45.57%	106,769	3.25%
Culture and recreation	9,083,618	17.89%	983,177	12.14%
Public works	2,453,902	4.83%	82,176	3.46%
Capital outlay	6,682,999	13.16%	976,661	17.12%
Debt service				
Principal	3,600,000	7.09%	200,000	5.88%
Interest and fees	1,679,755	3.31%	(376,002)	-18.29%
Bond issuance costs	<u>205,774</u>	<u>0.41%</u>	<u>205,774</u>	<u>100.00%</u>
Total expenditures	<u>\$ 50,784,753</u>	<u>100.00%</u>	<u>\$ 1,393,142</u>	

Capital Outlay and public works maintenance amounts fluctuate each year according to construction schedules and asset replacement programs.

The General Fund is the chief operating fund of the City. General Fund revenues exceeded expenditures by \$3,767,298. As a result, \$2,334,000 of this excess was transferred to the Special Projects Fund for economic development, emergency reserves, and unfunded needs. An additional \$449,013 of this excess was transferred to the Information Technology fund for technology upgrades, and \$288,949 was transferred to the Loss Reserve fund to offset health care costs. At fiscal year, the spendable, unassigned fund balance of the General Fund was \$9,544,066 compared to \$9,584,839 at September 30, 2020. Staff monitors fund balance to ensure that ninety days of operations are always in reserve.

The fund balance in the Half Cent Development Corporation (HCDC) Special Revenue Fund increased by \$871,494 in 2021 after increasing \$775,325 in 2020. Although Community Services was particularly impacted by the pandemic, sales taxes recovered, and services were either partially or fully restored in FY21. However, due to uncertainty surrounding the public's willingness to return to recreational activities, costs were conservatively budgeted in FY21, including the indirect transfer to the general fund. The Fund Balance in the Anti-Crime Special Revenue Fund increased by \$1,140,365, after increasing \$788,626 last year. Again, sales taxes recovered in FY21 and costs were contained by reducing the indirect transfer to the General Fund.

The fund balance in the Special Projects Fund increased by \$2,305,267 in FY21. To address the continued financial uncertainties of the pandemic, the City prioritized capital and indirect project expenditures in FY21. Special Projects' ending fund balance is assigned for projects approved by City Council and Management.

The fund balance in the 2019 GO Bond Fund decreased by \$4,457,009 in FY21 due to ongoing capital projects. 2019 GO Bond Fund ending fund balance is restricted for projects approved by City Council and Management.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The uncertainties brought about by the pandemic increased the complexities that come with developing the City's annual budget. Due to these uncertainties, the City erred on the side of caution and conservatively estimated revenues and reduced costs to balance the budget. Property taxes, which are the General Fund's largest and most predictable source of revenue, met budgeted expectations, while sales taxes came in well above budget. However, other activities fell below budgeted expectations including Municipal Court fines, Senior Center dues, Recreation course fees, and ambulance fees. Franchise fees also came in under budget, primarily due to underperformance of electric and telecomm fees and a new state law that cut the collection of other video franchise fees to zero.

General fund actual revenues of \$34,656,482 exceeded budgeted revenues of \$31,860,408 by \$2,796,074. The excess of actual revenues over budgeted revenues was driven primarily by actual sales tax collections exceeding budget by approximately \$2.8 million. Due to the potential volatility of this revenue source, the City always budgets sales taxes conservatively. And with the added uncertainty caused by the pandemic, the City was particularly cautious in budgeting sales tax revenues in FY21. Fortunately, however, sales tax revenues ended FY21 at the highest levels seen over the past twenty years. Budgeted general fund expenditures of \$31,552,307 exceeded actual expenditures of \$30,889,184. This \$663,123 positive variance was due to salary savings in the Police, Community Services, Streets/Drainage and Code Enforcement Divisions. Service levels in the Community Services Division were particularly impacted by the pandemic. Other expenditures that fell under budget included electricity, water, and the City's contingency account.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets:** At September 30, 2021, the City had \$203,113,332 invested in capital assets including police and fire equipment, buildings, park facilities, roads, water, sewer and storm-water facilities. (See table below.) This represents a net decrease of \$1,261,263, or 0.6%, from last year. The decrease is primarily due to depreciation expense out pacing fixed asset and CIP additions in 2021.

	Governmental Activities		Business-type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Land	\$ 59,579,846	\$ 59,579,846	\$ 564,612	\$ 564,612	\$ 60,144,458	\$ 60,144,458
Buildings	46,760,258	49,798,538	44,839,156	46,060,321	91,599,414	95,858,859
Improvements	29,526,363	32,449,418	404,379	429,553	29,930,742	32,878,971
Machinery & equipment	5,437,849	6,396,739	938,110	1,099,153	6,375,959	7,495,892
CIP	13,904,015	7,835,590	1,158,744	160,825	15,062,759	7,996,415
Total	\$ 155,208,331	\$ 156,060,131	\$ 47,905,001	\$ 48,314,464	\$ 203,113,332	\$ 204,374,595

This year's major asset additions (including work in progress) are as follows:

Title	Amount
Animal Shelter	\$ 5,082,661
Sewer Main Replacement	721,166
Dog Park	709,086
Miscellaneous Street Reconstruction	585,482
Highway 10 Median Landscaping (Grant Funded)	376,158

See *Note 6* to the financial statements for more detailed information on capital asset activity.

**Long-term Debt:** At September 30, 2021, the total debt outstanding was \$57,715,000. Of this amount, \$57,190,000 comprises debt backed by the full faith and credit of the City. The remaining \$525,000 represents bonds secured by specific revenue sources. See *Note 7* to the financial statements for more detailed information on long-term debt activity.

	Governmental Activities		Business-type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
General obligation	\$ 36,605,000	\$ 38,435,000	\$ 4,975,000	\$ 5,820,000	\$ 41,580,000	\$ 44,255,000
Certificates of obligation	13,075,000	13,885,000	2,040,000	2,360,000	15,115,000	16,245,000
Public property finance contractual obligations	495,000	575,000	-	-	495,000	575,000
Tax notes	525,000	695,000	-	-	525,000	695,000
Total	\$ 50,700,000	\$ 53,590,000	\$ 7,015,000	\$ 8,180,000	\$ 57,715,000	\$ 61,770,000

The City's total debt decreased by \$4,055,000, or 6.6%, during the current fiscal year. In fiscal year 2021, the City issued \$13,495,000 in General Obligation Refunding Bonds which refunded the General Obligation Improvements Bonds, Series 2012.

The City's funds continue to have favorable credit ratings. The City's current ratings are as follows:

	MOODY'S INVESTOR SERVICES	STANDARD & POOR'S
GENERAL OBLIGATION BONDS	AA2	AA
ENTERPRISE FUND OBLIGATIONS	AA2	AA

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The 2021-2022 budget continues to reflect the City Council's conservative fiscal policies. The major objectives of the annual budget process are to incorporate community feedback from the annual survey, town hall forum and public hearings while identifying cost saving measures and providing funding to implement the City Council's strategic plans. The FY22 budget focuses on restoring services to pre-pandemic levels where possible. For example, to offset the projected decline of sales taxes and program/service fees, the FY21 budget prioritized capital project expenditures, and modified staffing and operating expenditures for certain programs/services, most notably Community Services programs. The FY22 budget attempts to restore those services negatively impacted by Covid-19 to pre-pandemic levels and move forward with any delayed capital projects. In developing the FY22 budget, staff incorporated the impact of broad inflationary pressures, including on wages. As such, the FY22 budget includes a 2.5% cost of living adjustment as well as two one-time lump sum payments to staff.

Sales taxes and property taxes are the two largest revenue sources for the City's governmental funds. Sales taxes increased 11.3% in FY21. As the economy continues to rebound from the initial impacts of the pandemic, we anticipate sales taxes will remain strong in FY22. Council and staff will continue their economic development initiatives in FY22, including our long-standing partnership with the Northeast Mall, to ensure the continued strength of businesses in Hurst and the satisfaction of the customers they serve. Estimated net taxable values increased by 2.6% in Tax Year 2021 over Tax Year 2020. The City held its property tax rate flat in FY22 at \$0.625159 per \$100 valuation. Because property tax revenues are impacted by property tax caps, various exemptions, and the senior and disabled-citizen tax freeze, the City will continue to practice a conservative budgeting approach.

For FY22, the Enterprise (Water/Wastewater) Fund's operating budget increased by 8.3%. The increase is due to rising wholesale water and wastewater treatment costs, and staffing adjustments in Fiscal Services. It is the City's policy to pass through all, or part of, any rate increases from our wholesale water and wastewater contracts with the City of Fort Worth and the Trinity River Authority to our customers. For FY22, the City of Hurst water and sewer rates for residential and commercial customers increased 2%. Due to sound financial planning, the Enterprise Fund has been able to overcome variations in rainfall and consistently finish each fiscal year in a stable financial position.

Other Enterprise funds are established to account for Storm Drainage and Hurst Conference Center operations. The Storm Drainage fee generates approximately \$1.1 million per year and all proceeds are utilized to mitigate flooding and other drainage issues throughout the City. The Hurst Conference Center completed its eleventh full year of operations in 2020-2021. Events held at the facility include everything from intimate gatherings to corporate events hosting up to approximately 1,000 people. As stated previously, the HCC was significantly impacted by the pandemic in fiscal years 2020 and 2021. However, operating revenues were supplemented in FY21 by a joint Vaccine Clinic with Tarrant County. The HCC continues to market the facility for special events, conferences and other gatherings, and FY22 revenues are trending in a positive direction.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our residents, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Office at 1505 Precinct Line Road, Hurst, Texas, 76054 (817) 788-7067 or email [pbrown@hursttx.gov](mailto:pbrown@hursttx.gov). To view financial documents, you may also visit the City's Website at [www.hursttx.gov](http://www.hursttx.gov).



**City of Hurst, Texas**  
**Statement of Net Position**  
**September 30, 2021 with Summarized**  
**Totals for September 30, 2020**

	Governmental	Business-type	Totals	
	Activities	Activities	2021	2020
<b>Assets</b>				
Cash and cash equivalents	\$ 5,445,086	\$ 1,293,116	\$ 6,738,202	\$ 8,198,520
Investments	66,929,222	19,573,218	86,502,440	77,177,790
Net receivables	7,121,649	3,743,271	10,864,920	9,912,636
Internal balances	2,852,660	(2,852,660)	-	-
Inventories and prepaid expenses	214,360	214,826	429,186	451,404
Restricted assets				
Cash and cash equivalents	-	738,007	738,007	965,170
Investments	-	2,036,070	2,036,070	1,973,344
Total current assets	82,562,977	24,745,848	107,308,825	98,678,864
Land	59,579,846	564,612	60,144,458	60,144,458
Depreciable assets, net	81,724,470	47,179,564	128,904,034	136,233,722
Construction in progress	13,904,015	160,825	14,064,840	7,996,415
Total noncurrent assets	155,208,331	47,905,001	203,113,332	204,374,595
Total assets	237,771,308	72,650,849	310,422,157	303,053,459
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to pensions	2,506,079	444,680	2,950,759	3,466,106
Deferred outflows related to OPEB	2,477,039	629,746	3,106,785	2,102,602
Deferred loss on bond refunding	1,067,789	265,511	1,333,300	1,498,737
Total deferred outflows of resources	6,050,907	1,339,937	7,390,844	7,067,445
Total assets and deferred outflows of resources	\$ 243,822,215	\$ 73,990,786	\$ 317,813,001	\$ 310,120,904
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 4,472,292	\$ 1,876,146	6,348,438	\$ 5,517,341
Escrow deposits and unearned revenue	74,665	397,227	471,892	493,806
Customer deposits	-	1,986,070	1,986,070	1,923,344
Unearned revenue	4,789,083	-	4,789,083	-
Current portion of net OPEB liability	581,566	147,853	729,419	688,094
Current portion of long-term liabilities	6,362,447	1,212,051	7,574,498	7,685,123
Total current liabilities	16,280,053	5,619,347	21,899,400	16,307,708
Net pension liability	14,778,727	2,622,340	17,401,067	18,594,409
Net OPEB liability, net of current portion	11,049,762	2,809,215	13,858,977	13,073,790
Long-term liabilities, net of current portion	53,205,628	6,406,686	59,612,314	64,371,396
Total noncurrent liabilities	79,034,117	11,838,241	90,872,358	96,039,595
Total liabilities	95,314,170	17,457,588	112,771,758	112,347,303
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to pensions	4,528,937	803,616	5,332,553	5,539,610
Deferred inflows related to OPEB	2,423,060	616,021	3,039,081	3,346,578
Deferred gain on refunding	139,361	-	139,361	-
Total deferred inflows of resources	7,091,358	1,419,637	8,510,995	8,886,188
<b>Net Position</b>				
Net investment in capital assets	107,239,312	41,558,248	148,797,560	151,603,345
Restricted for				
Debt service	1,134,197	-	1,134,197	1,130,217
Capital projects	640,297	-	640,297	905,633
Community development	5,638,388	-	5,638,388	4,766,894
Public safety	8,079,848	-	8,079,848	6,998,527
Municipal court	510,633	-	510,633	543,148
Parks	448,837	-	448,837	689,524
Traffic safety	470,195	-	470,195	484,574
Tourism, convention center, arts	1,887,275	-	1,887,275	1,859,780
Urban transit	2,271,317	-	2,271,317	1,739,091
Other	159,067	-	159,067	122,899
Unrestricted	12,937,321	13,555,313	26,492,634	18,043,781
Total net position	141,416,687	55,113,561	196,530,248	188,887,413
Total liabilities, deferred inflows of resources, and net position	\$ 243,822,215	\$ 73,990,786	\$ 317,813,001	\$ 310,120,904

**City of Hurst, Texas**  
**Statement of Activities**  
**Year Ended September 30, 2021 with Summarized**  
**Totals for Year Ended September 30, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 4,958,838	\$ 422,983	\$ 1,003,936	\$ -
Public safety	24,389,940	1,449,576	43,977	-
Culture and recreation	11,383,530	843,374	841,258	-
Public works	4,116,324	831,192	-	-
Interest expense	1,724,654	-	-	-
Total governmental activities	46,573,286	3,547,125	1,889,171	-
<b>Business-type Activities</b>				
Water and sewer services	19,737,759	21,575,460	-	400,116
Stormwater management services	932,360	1,106,028	-	4,600
Hurst Public Facility Corporation	6,189	200,991	-	-
Conference and meeting center	1,877,996	1,783,144	-	-
Total business-type activities	22,554,304	24,665,623	-	404,716
Total primary government	\$ 69,127,590	\$ 28,212,748	\$ 1,889,171	\$ 404,716

**General Revenues**

Property taxes, penalty and interest  
Sales taxes  
Franchise taxes  
Occupancy taxes  
Investment earnings  
Miscellaneous  
Transfers

Total general revenues and

**Change in Net Position**

**Net Position, Beginning of Year**

**Net Position, End of Year**

**Net (Expense) Revenue and Changes in Net Position**

Governmental Activities	Business-type Activities	Totals	
		2021	2020
\$ (3,531,919)	\$ -	\$ (3,531,919)	\$ (3,763,862)
(22,896,387)	-	(22,896,387)	(23,597,202)
(9,698,898)	-	(9,698,898)	(10,030,130)
(3,285,132)	-	(3,285,132)	(4,139,222)
(1,724,654)	-	(1,724,654)	(1,135,394)
(41,136,990)	-	(41,136,990)	(42,665,810)
-	2,237,817	2,237,817	703,165
-	178,268	178,268	318,592
-	194,802	194,802	-
-	(94,852)	(94,852)	(346,883)
-	2,516,035	2,516,035	674,874
(41,136,990)	2,516,035	(38,620,955)	(41,990,936)
20,519,930	-	20,519,930	18,389,781
21,380,866	-	21,380,866	19,777,236
2,563,184	-	2,563,184	2,669,328
613,169	-	613,169	660,845
136,883	66,223	203,106	1,507,135
983,535	-	983,535	692,722
99,439	(99,439)	-	-
46,297,006	(33,216)	46,263,790	43,697,047
5,160,016	2,482,819	7,642,835	1,706,111
136,256,671	52,630,742	188,887,413	187,181,302
<u>\$ 141,416,687</u>	<u>\$ 55,113,561</u>	<u>\$ 196,530,248</u>	<u>\$ 188,887,413</u>



**City of Hurst, Texas**  
**Governmental Funds**  
**Balance Sheet**  
**September 30, 2021 With Summarized**  
**Totals for September 30, 2020**

	Special Revenue Funds		
	General Fund	HCDC	Anti-Crime
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	21,289,987	4,650,266	7,111,506
Receivables, net			
Taxes	2,178,787	982,600	977,962
Court	1,080,421	-	-
Other	808,783	6,812	53,018
Inventories and other	1,883	-	-
Due from other funds	261,298	-	-
	<u>\$ 25,621,159</u>	<u>\$ 5,639,678</u>	<u>\$ 8,142,486</u>
<b>Liabilities</b>			
Accounts payable and accrued items	\$ 2,955,042	\$ 23,824	\$ 200,314
Escrow deposits payable and unearned revenue	4,863,748	-	-
Due to other funds	611,399	1,108	230,412
	<u>8,430,189</u>	<u>24,932</u>	<u>430,726</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	1,476,337	-	-
Total deferred inflows of resources	1,476,337	-	-
<b>Fund Balances</b>			
Nonspendable			
Inventory	1,883	-	-
Restricted	6,139,054	5,614,746	7,711,760
Assigned	29,630	-	-
Unassigned	9,544,066	-	-
	<u>15,714,633</u>	<u>5,614,746</u>	<u>7,711,760</u>
Total fund balances	<u>15,714,633</u>	<u>5,614,746</u>	<u>7,711,760</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,621,159</u>	<u>\$ 5,639,678</u>	<u>\$ 8,142,486</u>

See Notes to Financial Statements

<b>Capital Projects Funds</b>		<b>Nonmajor Governmental Funds</b>	<b>Totals</b>	
<b>Special Projects</b>	<b>2019 GO Bond Fund</b>		<b>2021</b>	<b>2020</b>
\$ 2,296,735	\$ 36,265	\$ 572,077	\$ 2,905,077	\$ 5,082,441
17,669,742	923,638	4,088,778	55,733,917	50,140,439
-	-	51,259	4,190,608	2,726,924
-	-	-	1,080,421	979,200
942,498	196	3,413	1,814,720	2,612,660
-	-	-	1,883	1,881
1,395,138	-	-	1,656,436	31,549
<u>\$ 22,304,113</u>	<u>\$ 960,099</u>	<u>\$ 4,715,527</u>	<u>\$ 67,383,062</u>	<u>\$ 61,575,094</u>
\$ 52,540	\$ 390,774	\$ 215,039	\$ 3,837,533	\$ 3,348,564
-	-	-	4,863,748	76,733
-	-	29,778	872,697	31,549
<u>52,540</u>	<u>390,774</u>	<u>244,817</u>	<u>9,573,978</u>	<u>3,456,846</u>
-	-	48,228	1,524,565	1,135,141
-	-	48,228	1,524,565	1,135,141
-	-	-	1,883	1,881
-	569,325	4,422,482	24,457,367	27,420,461
22,251,573	-	-	22,281,203	19,975,926
-	-	-	9,544,066	9,584,839
<u>22,251,573</u>	<u>569,325</u>	<u>4,422,482</u>	<u>56,284,519</u>	<u>56,983,107</u>
<u>\$ 22,304,113</u>	<u>\$ 960,099</u>	<u>\$ 4,715,527</u>	<u>\$ 67,383,062</u>	<u>\$ 61,575,094</u>



**City of Hurst, Texas**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Position of Governmental Activities**  
**September 30, 2021**

Total governmental fund balances	\$ 56,284,519
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, excluding internal service funds capital assets.	153,126,032
Accrued interest on governmental activities debt is not reported in the funds until paid.	(200,712)
Certain revenue earned but unavailable and long-term receivables are deferred in the funds.	1,524,565
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds that are attributable to governmental activities are included in the government-wide financial statements.	16,681,800
Other postemployment benefits and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore are not reported in the governmental funds financial statements.	(11,140,276)
Pension related liabilities and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore are not reported in the governmental funds financial statements.	(16,303,059)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds, excluding internal service funds long-term liabilities.	(6,255,024)
Tax notes, bonds payable and contractual obligations are not due and payable in the current period and therefore are not reported in the funds, excluding internal service funds long-term liabilities. Losses on issuance of refunding bonds are not reported in the funds but are reported as deferred outflows in the statement of net position.	<u>(52,301,158)</u>
Net position of governmental activities	<u><u>\$ 141,416,687</u></u>

**City of Hurst, Texas**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended September 30, 2021 With Summarized**  
**Totals for Year Ended September 30, 2020**

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>HCDC</u>	<u>Anti-Crime</u>
<b>Revenues</b>			
Taxes, penalty and interest	\$ 30,066,333	\$ 5,313,250	\$ 5,647,809
Licenses/permits	861,307	-	-
Support from governmental entities	1,003,936	-	43,977
Charges for services	1,620,203	-	-
Fines and fees	700,005	-	-
Interest	24,337	9,203	15,609
Miscellaneous	380,361	5,033	15,131
	<u>34,656,482</u>	<u>5,327,486</u>	<u>5,722,526</u>
<b>Expenditures</b>			
Current			
General government	3,582,356	-	-
Public safety	18,666,861	-	4,455,437
Culture and recreation	6,186,065	2,897,553	-
Public works	2,453,902	-	-
Capital outlay	-	328,848	108,874
Debt service			
Principal retirement	-	-	-
Interest and fiscal agent fees	-	-	-
Bond issuance costs	-	-	-
	<u>30,889,184</u>	<u>3,226,401</u>	<u>4,564,311</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,767,298</u>	<u>2,101,085</u>	<u>1,158,215</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from issuance of debt	-	-	-
Refunding bonds issued	-	-	-
Payment to refunded bonds escrow agent	-	-	-
Transfers in	41,675	-	-
Transfers out	(3,555,423)	(1,229,591)	(17,850)
Total other financing sources (uses)	<u>(3,513,748)</u>	<u>(1,229,591)</u>	<u>(17,850)</u>
<b>Net Change in Fund Balances</b>	253,550	871,494	1,140,365
<b>Fund Balances, Beginning of Year</b>	<u>15,461,083</u>	<u>4,743,252</u>	<u>6,571,395</u>
<b>Fund Balances, End of Year</b>	<u>\$ 15,714,633</u>	<u>\$ 5,614,746</u>	<u>\$ 7,711,760</u>

Capital Projects Funds		Nonmajor Governmental Funds	Totals	
Special Projects	2019 GO Bond Fund		2021	2020
\$ -	\$ -	\$ 3,951,602	\$ 44,978,994	\$ 41,476,811
-	-	-	861,307	811,270
841,258	-	-	1,889,171	3,270,198
-	-	-	1,620,203	1,527,628
-	-	-	700,005	1,120,244
48,145	1,920	4,651	103,865	975,831
331,783	-	-	732,308	619,891
<u>1,221,186</u>	<u>1,920</u>	<u>3,956,253</u>	<u>50,885,853</u>	<u>49,801,873</u>
354,311	-	-	3,936,667	4,722,080
19,740	-	-	23,142,038	23,035,269
-	-	-	9,083,618	8,100,441
-	-	-	2,453,902	2,371,726
966,472	4,458,929	819,876	6,682,999	5,706,338
-	-	3,600,000	3,600,000	3,400,000
-	-	1,679,755	1,679,755	2,055,757
-	-	205,774	205,774	-
<u>1,340,523</u>	<u>4,458,929</u>	<u>6,305,405</u>	<u>50,784,753</u>	<u>49,391,611</u>
<u>(119,337)</u>	<u>(4,457,009)</u>	<u>(2,349,152)</u>	<u>101,100</u>	<u>410,262</u>
-	-	-	-	575,000
-	-	13,350,000	13,350,000	-
-	-	(13,404,894)	(13,404,894)	-
2,466,279	-	1,591,791	4,099,745	4,588,565
(41,675)	-	-	(4,844,539)	(4,841,077)
2,424,604	-	1,536,897	(799,688)	322,488
2,305,267	(4,457,009)	(812,255)	(698,588)	732,750
19,946,306	5,026,334	5,234,737	56,983,107	56,250,357
<u>\$ 22,251,573</u>	<u>\$ 569,325</u>	<u>\$ 4,422,482</u>	<u>\$ 56,284,519</u>	<u>\$ 56,983,107</u>



**City of Hurst, Texas**  
**Reconciliation of Changes in Fund Balances of Governmental**  
**Funds to Change in Net Position in the Statement of Activities**  
**Year Ended September 30, 2021**

Net change in fund balances - total governmental funds	\$ (698,588)
Amounts reported for governmental funds in the statement of activities are different because:	
Change in revenues not considered available in the governmental funds.	389,424
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current year.	
Capital Outlay	7,130,573
Depreciation	(7,523,021)
Proceeds from debt issuance are an other financing source in the funds, but a debt issuance increases long-term liabilities in the statement of net position.	(13,350,000)
Repayment of long-term debt, including bond refundings, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Annual payments on long-term debt	3,600,000
Payment to escrow agent	13,404,894
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.	232,473
Governmental funds report the effect of losses on refundings when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.	(98,666)
Current year change in accrued interest payable required the use of current financial resources; but it is not reported as an expense in the governmental-wide statement.	41,052
Current year pension expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures, and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows/inflows of resources balances.	715,387
Current year OPEB expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures, and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows/inflows of resources balances.	374,997
Current year changes in long-term liabilities for compensated absences do not require the use of current financial resources; therefore they are not reported as expenditures in governmental funds.	(431,294)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The change in net position of the internal service funds is reported with governmental activities (net of amount allocated to business-type activities).	1,372,785
Change in net position of governmental activities	\$ 5,160,016



**City of Hurst, Texas**  
**Proprietary Funds**  
**Statement of Net Position**  
**September 30, 2021 with Summarized**  
**Totals for September 30, 2020**

	Business-type Activities				Totals	
	Water & Sewer	Conference & Meeting Center Fund	Stormwater Fund	Nonmajor Hurst Public Facility Corporation	2021	2020
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ 1,074,318	\$ 23,741	\$ 195,057	\$ 1,293,116	\$ 1,769,748
Investments	17,468,693	-	2,104,525	-	19,573,218	16,297,828
Accounts receivable (net of allowance for uncollectible accounts of \$57,691 in 2021 and \$93,583 in 2020)	3,250,731	9,854	147,958	-	3,408,543	3,250,012
Other receivables	329,436	-	5,292	-	334,728	281,692
Due from other funds	-	-	-	-	-	-
Inventory of materials and supplies, at cost	183,529	24,646	-	-	208,175	210,208
Prepaids and other assets	-	6,651	-	-	6,651	34,286
Restricted assets						
Cash and cash equivalents	738,007	-	-	-	738,007	965,170
Investments	2,036,070	-	-	-	2,036,070	1,973,344
<b>Total current assets</b>	<b>24,006,466</b>	<b>1,115,469</b>	<b>2,281,516</b>	<b>195,057</b>	<b>27,598,508</b>	<b>24,782,288</b>
<b>Noncurrent Assets</b>						
Capital assets	86,094,352	81,367	5,010,521	-	91,186,240	89,723,664
Accumulated depreciation	(42,193,489)	(81,367)	(1,006,383)	-	(43,281,239)	(41,408,927)
<b>Total noncurrent assets</b>	<b>43,900,863</b>	<b>-</b>	<b>4,004,138</b>	<b>-</b>	<b>47,905,001</b>	<b>48,314,737</b>
<b>Total assets</b>	<b>67,907,329</b>	<b>1,115,469</b>	<b>6,285,654</b>	<b>195,057</b>	<b>75,503,509</b>	<b>73,097,025</b>
<b>Deferred Outflows of Resources</b>						
Deferred pension outflows	325,764	91,178	27,738	-	444,680	522,344
Deferred OPEB outflows	476,581	110,602	42,563	-	629,746	428,622
Deferred loss on bond refunding	265,511	-	-	-	265,511	324,947
<b>Total deferred outflows of resources</b>	<b>1,067,856</b>	<b>201,780</b>	<b>70,301</b>	<b>-</b>	<b>1,339,937</b>	<b>1,275,913</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 68,975,185</b>	<b>\$ 1,317,249</b>	<b>\$ 6,355,955</b>	<b>\$ 195,057</b>	<b>\$ 76,843,446</b>	<b>\$ 74,372,938</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued items	\$ 1,700,807	\$ 90,630	\$ 60,196	\$ -	\$ 1,851,633	\$ 1,456,699
Due to other funds	783,739	-	-	-	783,739	-
Unearned revenue	-	397,227	-	-	397,227	417,073
Current liabilities payable from restricted assets						
Accrued bond interest	24,513	-	-	-	24,513	30,092
Customer deposits	1,986,070	-	-	-	1,986,070	1,923,344
Current portion of net OPEB liability	111,893	25,967	9,993	-	147,853	139,477
Current portion of long-term liabilities	1,170,408	35,280	6,363	-	1,212,051	1,364,911
<b>Total current liabilities</b>	<b>5,777,430</b>	<b>549,104</b>	<b>76,552</b>	<b>-</b>	<b>6,403,086</b>	<b>5,331,596</b>
Net pension liability	1,921,078	537,693	163,569	-	2,622,340	2,802,177
Net OPEB liability, net of current portion	2,125,967	493,380	189,868	-	2,809,215	2,650,057
Long-term liabilities, net of current portion	6,354,541	44,178	7,967	-	6,406,686	7,546,235
<b>Total long-term liabilities</b>	<b>10,401,586</b>	<b>1,075,251</b>	<b>361,404</b>	<b>-</b>	<b>11,838,241</b>	<b>12,998,469</b>
<b>Total liabilities</b>	<b>16,179,016</b>	<b>1,624,355</b>	<b>437,956</b>	<b>-</b>	<b>18,241,327</b>	<b>18,330,065</b>
<b>Deferred Inflows of Resources</b>						
Deferred pension inflows	588,714	164,776	50,126	-	803,616	834,819
Deferred OPEB inflows	466,195	108,191	41,635	-	616,021	678,357
<b>Total deferred inflows of resources</b>	<b>1,054,909</b>	<b>272,967</b>	<b>91,761</b>	<b>-</b>	<b>1,419,637</b>	<b>1,513,176</b>
<b>Net Position</b>						
Net investment in capital assets	37,554,110	-	4,004,138	-	41,558,248	42,263,651
Unrestricted (deficit)	14,187,150	(580,073)	1,822,100	195,057	15,624,234	12,266,046
<b>Total net position</b>	<b>51,741,260</b>	<b>(580,073)</b>	<b>5,826,238</b>	<b>195,057</b>	<b>57,182,482</b>	<b>54,529,697</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 68,975,185</b>	<b>\$ 1,317,249</b>	<b>\$ 6,355,955</b>	<b>\$ 195,057</b>	<b>76,843,446</b>	<b>\$ 74,372,938</b>
Adjustment to net position to reflect the consolidation of internal service fund activities related to enterprise funds					(2,068,921)	
<b>Net position of business-type activities</b>					<b>\$ 55,113,561</b>	

See Notes to Financial Statements

**Governmental Activities-  
Internal Service Funds**

<u>2021</u>	<u>2020</u>
\$ 2,540,009	\$ 1,346,331
11,195,305	10,739,523
-	-
35,900	62,148
-	-
47,477	39,756
165,000	165,000
-	-
-	-
<u>13,983,691</u>	<u>12,352,758</u>
13,500,100	13,844,118
(11,417,801)	(11,302,467)
<u>2,082,299</u>	<u>2,541,651</u>
<u>16,065,990</u>	<u>14,894,409</u>
74,360	87,347
93,514	63,648
-	-
<u>167,874</u>	<u>150,995</u>
<u>\$ 16,233,864</u>	<u>\$ 15,045,404</u>
\$ 434,047	\$ 440,222
-	-
-	-
-	-
-	-
21,955	20,712
29,213	25,192
<u>485,215</u>	<u>486,126</u>
438,506	468,579
417,156	393,521
54,252	46,786
<u>909,914</u>	<u>908,886</u>
<u>1,395,129</u>	<u>1,395,012</u>
134,380	139,599
91,476	100,733
<u>225,856</u>	<u>240,332</u>
2,082,299	2,541,651
12,530,580	10,868,409
<u>14,612,879</u>	<u>13,410,060</u>
<u>\$ 16,233,864</u>	<u>\$ 15,045,404</u>

**City of Hurst, Texas**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Year Ended September 30, 2021 with Summarized**  
**Totals for Year Ended September 30, 2020**

	Business-type Activities				Totals	
	Water & Sewer	Conference & Meeting Center Fund	Stormwater Fund	Nonmajor Hurst Public Facility Corporation	2021	2020
<b>Operating Revenues</b>						
Water and sewer services	\$ 21,131,574	\$ -	\$ -	\$ -	\$ 21,131,574	\$ 21,516,268
Storm drainage utility fee	-	-	1,106,028	-	1,106,028	1,102,618
Service fees	-	1,783,144	-	-	1,783,144	1,804,763
Other	443,886	-	-	200,991	644,877	263,389
<b>Total operating revenues</b>	<b>21,575,460</b>	<b>1,783,144</b>	<b>1,106,028</b>	<b>200,991</b>	<b>24,665,623</b>	<b>24,687,038</b>
<b>Operating Expenses</b>						
Personnel services	4,102,418	1,213,710	335,219	-	5,651,347	6,161,268
Contractual services	8,059,590	-	-	6,189	8,065,779	8,649,308
Repairs and maintenance	407,669	111,970	127,529	-	647,168	646,727
Materials and supplies	148,073	33,816	5,493	-	187,382	253,597
Depreciation and amortization	1,675,211	12,955	198,635	-	1,886,801	1,908,148
Indirect cost/street rental fees	3,863,405	-	100,000	-	3,963,405	3,776,235
Other	1,161,036	505,545	165,484	-	1,832,065	2,010,945
<b>Total operating expenses</b>	<b>19,417,402</b>	<b>1,877,996</b>	<b>932,360</b>	<b>6,189</b>	<b>22,233,947</b>	<b>23,406,228</b>
<b>Operating income (loss)</b>	<b>2,158,058</b>	<b>(94,852)</b>	<b>173,668</b>	<b>194,802</b>	<b>2,431,676</b>	<b>1,280,810</b>
<b>Nonoperating Revenues (Expenses)</b>						
Interest revenue	58,626	-	7,342	255	66,223	346,862
Interest expense	(150,391)	-	-	-	(150,391)	(266,270)
Gain (loss) on sale of property and equipment	-	-	-	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>(91,765)</b>	<b>-</b>	<b>7,342</b>	<b>255</b>	<b>(84,168)</b>	<b>80,592</b>
<b>Income (loss) before contributions and transfers</b>	<b>2,066,293</b>	<b>(94,852)</b>	<b>181,010</b>	<b>195,057</b>	<b>2,347,508</b>	<b>1,361,402</b>
<b>Transfers In</b>	<b>1,639,038</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>1,699,038</b>	<b>1,603,179</b>
<b>Transfers Out</b>	<b>(1,798,477)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,798,477)</b>	<b>(1,703,179)</b>
<b>Contributions</b>	<b>400,116</b>	<b>-</b>	<b>4,600</b>	<b>-</b>	<b>404,716</b>	<b>466,764</b>
<b>Change in Net Position</b>	<b>2,306,970</b>	<b>(34,852)</b>	<b>185,610</b>	<b>195,057</b>	<b>2,652,785</b>	<b>1,728,166</b>
<b>Net Position, Beginning of Year</b>	<b>49,434,290</b>	<b>(545,221)</b>	<b>5,640,628</b>	<b>-</b>	<b>54,529,697</b>	<b>52,801,531</b>
<b>Net Position, End of Year</b>	<b>\$ 51,741,260</b>	<b>\$ (580,073)</b>	<b>\$ 5,826,238</b>	<b>\$ 195,057</b>	<b>\$ 57,182,482</b>	<b>\$ 54,529,697</b>
Adjustment to change in net position to reflect the consolidation of internal service fund activities related to enterprise funds					(169,966)	
<b>Change in Net Position of Business-type Activities</b>					<b>\$ 2,482,819</b>	

**Governmental Activities -  
Internal Service Funds**

<b>2021</b>	<b>2020</b>
\$ -	\$ -
-	-
10,144,458	9,860,122
97,477	72,831
<u>10,241,935</u>	<u>9,932,953</u>
7,608,749	7,573,364
215,901	192,034
539,042	558,660
1,111,168	1,069,054
595,257	720,373
-	-
-	-
<u>10,070,117</u>	<u>10,113,485</u>
171,818	(180,532)
33,018	184,442
-	(27,263)
153,750	-
<u>186,768</u>	<u>157,179</u>
358,586	(23,353)
847,401	352,512
(3,168)	-
-	-
<u>1,202,819</u>	<u>329,159</u>
<u>13,410,060</u>	<u>13,080,901</u>
<u>\$ 14,612,879</u>	<u>\$ 13,410,060</u>

**City of Hurst, Texas**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**Year Ended September 30, 2021 with Summarized**  
**Totals for Year Ended September 30, 2020**

	Business-type Activities				Totals	
	Conference & Meeting Center Fund	Stormwater Fund	Nonmajor Hurst Public Facility Corporation			
	Water & Sewer			2021	2020	
<b>Cash Flows from Operating Activities</b>						
Receipts from customers and users	\$ 21,424,984	\$ 1,841,496	\$ 1,101,956	\$ 200,991	\$ 24,569,427	\$ 24,772,049
Receipts from interfund services provided	-	-	-	-	-	-
Payments to suppliers	(8,660,813)	(636,261)	(277,046)	(6,189)	(9,580,309)	(11,540,954)
Payments on behalf of employees	(4,272,718)	(1,257,908)	(342,552)	-	(5,873,178)	(5,922,942)
Payments for interfund services used	(3,863,405)	-	(100,000)	-	(3,963,405)	(3,776,235)
Net cash provided by (used in) operating activities	4,628,048	(52,673)	382,358	194,802	5,152,535	3,531,918
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers to other funds	(1,798,477)	-	-	-	(1,798,477)	(2,524,971)
Transfers from other funds	1,639,038	60,000	-	-	1,699,038	1,603,179
Net cash provided by (used in) noncapital financing activities	(159,439)	60,000	-	-	(99,439)	(921,792)
Proceeds from long-term debt	145,000	-	-	-	145,000	-
Debt principal payments	(1,310,000)	-	-	-	(1,310,000)	(1,250,000)
Interest paid on revenue bonds	(246,484)	-	-	-	(246,484)	(262,269)
Purchases of property and equipment	(1,013,075)	-	(59,274)	-	(1,072,349)	(905,763)
Proceeds from sale of property and equipment	-	-	-	-	-	-
Net cash used in capital and related financing activities	(2,424,559)	-	(59,274)	-	(2,483,833)	(2,418,032)
<b>Cash Flows from Investing Activities</b>						
Proceeds from sale/maturities of investments	12,899,488	-	1,381,698	-	14,281,186	17,247,116
Purchase of investments	(15,810,282)	-	(1,809,020)	-	(17,619,302)	(17,682,610)
Interest received on investments	58,626	-	6,177	255	65,058	352,626
Net cash provided by (used in) investing activities	(2,852,168)	-	(421,145)	255	(3,273,058)	(82,868)
Net increase (decrease) in cash and cash equivalents	(808,118)	7,327	(98,061)	195,057	(703,795)	109,226
<b>Cash and Cash Equivalents, Beginning of Year</b>	1,546,125	1,066,991	121,802	-	2,734,918	2,625,692
<b>Cash and Cash Equivalents, End of Year</b>	738,007	1,074,318	23,741	195,057	2,031,123	2,734,918
<b>Noncash Investing, Capital and Financing Activities</b>						
Capital contributions received in-kind	400,116	-	4,600	-	404,716	466,764
<b>Reconciliation to Statement of Net Position</b>						
Cash and cash equivalents	-	1,074,318	23,741	195,057	1,293,116	1,769,748
Restricted cash and cash equivalents	738,007	-	-	-	738,007	965,170
	\$ 738,007	\$ 1,074,318	\$ 23,741	\$ 195,057	\$ 2,031,123	\$ 2,734,918

See Notes to Financial Statements

**Governmental Activities-  
Internal Service Funds**

<b>2021</b>	<b>2020</b>
\$ 117,361	\$ 67,495
10,144,458	9,860,122
(1,903,805)	(2,202,403)
(7,610,014)	(7,481,383)
-	-
<u>748,000</u>	<u>243,831</u>
(3,168)	-
<u>847,401</u>	<u>352,512</u>
<u>844,233</u>	<u>352,512</u>
-	-
-	-
-	(27,263)
(135,903)	(800,812)
<u>153,750</u>	<u>-</u>
<u>17,847</u>	<u>(828,075)</u>
9,154,261	8,846,764
(9,610,043)	(9,969,593)
<u>39,380</u>	<u>187,584</u>
<u>(416,402)</u>	<u>(935,245)</u>
1,193,678	(1,166,977)
<u>1,346,331</u>	<u>2,513,308</u>
<u>2,540,009</u>	<u>1,346,331</u>
-	-
2,540,009	1,346,331
-	-
<u>\$ 2,540,009</u>	<u>\$ 1,346,331</u>

**City of Hurst, Texas**  
**Proprietary Funds**  
**Statement of Cash Flows (Continued)**  
**Year Ended September 30, 2021 with Summarized**  
**Totals for Year Ended September 30, 2020**

	Business-type Activities				Totals	
	Water & Sewer	Conference & Meeting Center Fund	Stormwater Fund	Nonmajor Hurst Public Facility Corporation	2021	2020
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities</b>						
Operating income (loss)	\$ 2,158,058	\$ (94,852)	\$ 173,668	\$ 194,802	\$ 2,431,676	\$ 1,280,810
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	1,675,211	12,955	198,635	-	1,886,801	1,908,148
Change in assets and deferred outflows						
Accounts receivable	(213,202)	6,872	(4,072)	-	(210,402)	262,676
Inventory of materials and supplies	9,726	(7,693)	-	-	2,033	9,268
Due to/from other funds	783,739	-	-	-	783,739	-
Prepays and other assets	-	27,635	-	-	27,635	(32,705)
Deferred pension outflows	56,894	15,926	4,844	-	77,664	1,126,155
Deferred OPEB outflows	(152,207)	(35,323)	(13,594)	-	(201,124)	(27,310)
Change in liabilities and deferred inflows						
Accounts payable and other	322,090	66,454	28,931	-	417,475	(117,057)
Customer deposits and unearned revenue	62,726	(19,846)	-	-	42,880	(24,038)
Net pension liability	(131,745)	(36,874)	(11,218)	-	(179,837)	(1,559,812)
Net OPEB liability	126,787	29,424	11,323	-	167,534	(660,553)
Deferred pension inflows	(22,859)	(6,398)	(1,946)	-	(31,203)	716,890
Deferred OPEB inflows	(47,170)	(10,953)	(4,213)	-	(62,336)	649,446
Net cash provided by (used in) operating activities	<u>\$ 4,628,048</u>	<u>\$ (52,673)</u>	<u>\$ 382,358</u>	<u>\$ 194,802</u>	<u>\$ 5,152,535</u>	<u>\$ 3,531,918</u>

**Governmental Activities  
Internal Service Funds**

<b>2021</b>		<b>2020</b>	
\$	171,818	\$	(180,532)
	595,257		720,373
	19,884		(5,336)
	(7,721)		-
	-		(685)
	-		200,568
	12,987		(862)
	(29,866)		-
	5,312		(346,094)
	-		(258,393)
	(30,073)		(98,618)
	24,878		120,106
	(5,219)		93,304
	(9,257)		-
<b>\$</b>	<b>748,000</b>	<b>\$</b>	<b>243,831</b>



**City of Hurst, Texas**  
**Fiduciary Fund**  
**Statement of Fiduciary Net Position**  
**September 30, 2021 with Summarized**  
**Totals for September 30, 2020**

	<b>OPEB Trust</b>	
	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Investments		
Mutual funds - equity	\$ 3,633,863	\$ 2,813,649
Mutual funds - fixed income	2,525,226	1,955,248
Total assets	\$ 6,159,089	\$ 4,768,897
 <b>Net Position</b>		
Restricted for other postemployment benefits	\$ 6,159,089	\$ 4,768,897
Total net position	\$ 6,159,089	\$ 4,768,897

**City of Hurst, Texas**  
**Fiduciary Fund**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended September 30, 2021 with Summarized**  
**Totals for Year Ended September 30, 2020**

	OPEB Trust	
	2021	2020
<b>Additions</b>		
Contributions		
Employer	\$ 1,511,286	\$ 1,433,489
Investment income	674,541	693,401
Less: investment management fees	(19,801)	(15,846)
Total additions	2,166,026	2,111,044
 <b>Deductions</b>		
Benefit payments	764,202	682,789
Administrative expenses	11,632	9,189
Total deductions	775,834	691,978
 Change in net position	1,390,192	1,419,066
 <b>Net Position, Beginning of Year</b>	4,768,897	3,349,831
 <b>Net Position, Ending of Year</b>	\$ 6,159,089	\$ 4,768,897



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

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

The City of Hurst, Texas (City) Home Rule Charter was adopted December 19, 1956, pursuant to Resolution No. 100, adopted November 13, 1956. The City operates under a Council-Manager form of government and provides the following services by its charter: public safety, public works, health, culture, recreation, community development and water and sewer utilities.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues, expenditures, and expenses. Actual results could vary from the estimates that are used. Significant City policies are described below.

**Reporting Entity**

These financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, in substance, are part of the City's operations.

The Hurst Community Services Development Corporation (HCDC) was incorporated in 1993 under the provisions of the *Development Corporation Act of 1979*, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended. HCDC operates under a seven-member Board of Directors appointed by the City Council. The purpose of HCDC is to promote and finance projects required or suitable for athletic, entertainment, tourist, conventions, public parks and related purposes. The Board of Directors of HCDC is substantially the same as the City Council and the City will ultimately bear the benefit or burden. HCDC has been incorporated into these basic financial statements as a blended component unit, reported as the HCDC Fund. Separate financial statements for HCDC are not released.

The Hurst Crime Control and Prevention District (HCCPD) was authorized by voter referendum on September 9, 1995, for five years under the provisions of the *Crime Control and Prevention District Act*, Article 2370c-4, Section 3.01, Vernon Civil Statutes, as amended. The district was renewed by voter referendum on August 12, 2000, for ten years and again on May 8, 2010, for twenty years. The HCCPD operates under a seven-member Board of Directors appointed by the City Council. The purpose of the HCCPD is to provide relief to the General Fund for expanded crime prevention and enforcement activities. The Board of Directors of the HCCPD is substantially the same as the City Council and the City will ultimately bear the benefit or burden. The HCCPD has been incorporated into these basic financial statements as a blended component unit, reported as the Anti-crime Fund. Separate financial statements for HCCPD are not released.

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

***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 activities of the primary government. These financial statements include the financial activities of the overall government except the fiduciary fund. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Certain eliminations have been made as prescribed by GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments* (GASB 34) in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department, and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

Net position should be reported as restricted when constraints placed on asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes result from special revenue funds and the restrictions on their asset use. Separate financial statements are provided for governmental funds, proprietary funds, internal service funds and fiduciary fund. Major individual governmental funds and the major enterprise funds are reported as separate columns in the fund financial statements.

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

***Fund Financial Statements***

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

*Governmental Funds*

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. “Measurable” means that the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues susceptible to accrual as available if they are collected within 60 days after year-end.

Those revenues susceptible to accrual are property taxes, sales taxes, franchise taxes, fines, interest, and charges for services. Licenses and permits are not susceptible to accrual because generally they are not measurable until received in cash.

The major governmental funds are:

General Fund: The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to another fund are accounted for in this fund. General operating and capital expenditures not paid through other funds are paid from the General Fund.

HCDC Fund: To account for the sales and use tax levied by the City on behalf of HCDC.

Anti-crime Fund: To account for the sales and use tax levied by the City on behalf of HCCPD.

Special Projects Fund: To account for the purchase or construction of building improvements, computer equipment, and office machinery and equipment. Financing is provided primarily by transfers from the General Fund.

2019 G.O. Bond Capital Projects Fund: To account for the financing and construction of voter approved projects and is designated as a major fund. Financing was provided by general obligation bond proceeds.

*Internal Service Funds*

The internal service funds account for the financing of goods or services provided by one department to other departments of the City on a user charge basis.

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Fleet Service Fund: To account for the acquisition and financing of replacement vehicles of the General Fund and the repair and maintenance of vehicles. Operations are financed by charges to the user departments based on vehicle usage.

The Loss Reserve Fund: To account for the City's partially self-insured health care program. The program is financed by charges to user departments based on the number of covered employees and dependents.

Information Services Fund: To account for the personnel and operating costs of information services and the replacement cost of all computer related equipment. Operations are financed by charges to user departments on a cost-reimbursement basis.

*Proprietary Funds*

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Enterprise Fund are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Water & Sewer Fund: To account for providing water and sewer to residential and commercial users and is accounted for using the accrual basis of accounting. This fund accounts for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility service receivables are recorded at each year-end.

Conference & Meeting Center Fund: To account for the operations of the City's conference and meeting center and is designated as a major fund. Fees are charged for use of the center. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

Stormwater Fund: to account for revenues received from a fee charged for the development of the City's storm sewer drainage system. This fund is designated as a major fund.

*Fiduciary Fund*

The other postemployment benefit (OPEB) trust fund is used to report assets held for beneficiaries to fund future postemployment benefits other than pensions. The City utilizes a trust to hold required contributions for OPEBs. Plan trustees must act in accordance with the specific purposes and terms of the OPEB plan. The accompanying statement of fiduciary net position and statement of changes in fiduciary net position are presented as of and for the year ended December 31, 2020, the Plan's year-end, in accordance with GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB 74).

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***Cash and Cash Equivalents***

For purposes of reporting cash flows, the City considers cash and investments with an initial maturity of less than three months as cash and cash equivalents.

***Accounts Receivable***

Accounts receivable consist primarily of amounts due from citizens for various services provided by the City as well as property taxes and sales taxes receivable. Management evaluates the adequacy of the allowance for doubtful accounts based on a review of the aging of accounts and other specific information known by management.

***Investments***

Certificates of deposit are stated at cost with interest accrued as earned for government-wide presentation. Investments in external investment pools are carried at either net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the City's fiscal year end. In instances where pools transact at amortized cost, no readily determinable fair value is deemed available.

***Inventories***

Inventories in the general and proprietary fund types are carried at cost (first-in, first-out method).

***Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure such as roads, bridges, drainage systems and lighting systems are reported at historical cost. Donated capital assets, donated works of art and similar items are reported at acquisition value on the date donated. The minimum capitalization threshold is any item with a total cost greater than \$5,000 and a life greater than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

**Assets**

Buildings	10 – 40 Years
Furniture & Fixtures	4 – 10 Years
Improvements OTB	5 – 40 Years
Machinery & Equipment	2 – 30 Years
Streets	15 – 30 Years
Vehicles	2 – 15 Years
Water System	4 – 50 Years
Sewer System	5 – 50 Years
Stormwater System	4 – 40 Years



**City of Hurst, Texas**  
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***Compensated Absences***

Vested vacation leave (unpaid to employees terminated before year-end) that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. The long-term portion of compensated absences for governmental funds is reflected in the statement of net position. Vested or accumulated vacation leave within proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvested accumulating rights to receive sick pay benefits.

***Defined Benefit Pension Plan***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the 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.

Information regarding the City's total pension liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68).

Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability.

***Defined Benefit Other Postemployment Benefit Plan***

The City has a single employer defined benefit other postemployment (benefit) OPEB plan (Plan). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost.

Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability.

**City of Hurst, Texas**  
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***Interfund Transactions***

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. There is no interest charged between funds for these advances.

***Encumbrances***

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable fund balance, is employed by the City. Encumbrances are reported as reservations of fund balances because they do not constitute expenditures or liabilities. The City allows encumbrances to lapse leaving no reservation of fund balance at September 30, 2021.

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred loss on refunding – A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and recognized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and reported as a reduction in net pension liability or increase in net pension asset in the year subsequent to their deferral.
- OPEB benefit and premium payments after measurement date – These benefit payments are deferred and reported as a reduction in total OPEB liability in the year subsequent to their deferral.
- Experience difference – Pensions –These amounts represent the differences between expected and actual pension experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- Assumption changes – Pensions and OPEB –These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.

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In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has the following items that qualify for reporting in this category.

- Deferred gain on refunding – A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and recognized over the shorter of the life of the refunded or refunding debt.
- Unavailable revenue – This amount represents uncollected property taxes and municipal court fees. This amount is deferred and recognized once payments are received in the following fiscal year.
- Experience difference – Pensions and OPEB – These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- Assumption changes – OPEB – These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- Investment difference – Pensions and OPEB – These amounts represent the difference in projected and actual earnings on pension and OPEB plan assets. These differences are deferred and amortized over a closed five-year period.

***Minimum Fund Balance***

City management must institute a plan to achieve and maintain an unassigned fund balance in the general fund equal to no less than 90 days of operating expenditures. The City considers a balance of less than 90 days of operating expenditures to be cause for concern, barring unusual or deliberate circumstances. If unassigned fund balance falls below the goal or has a deficiency, the City will enact its fiscal management plan. The fiscal management plan provides specific language to guide expenditure reduction and/or revenue enhancement actions.

***Fund Balance Classifications and Uses***

Fund balances are classified as nonspendable, restricted, committed, assigned or unassigned in governmental funds. Nonspendable fund balance cannot be spent, either because it is not in spendable form or because of legal or contractual requirements. Restricted fund balances have constraints for specific purposes which are externally imposed by providers, such as creditors, grantors or other governments; or by enabling legislation of the City Council. Committed fund balances can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City management based on Council direction. Unassigned fund balances include residual positive fund balances within the General Fund that had not been classified within the other mentioned categories. Unassigned fund balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

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A description of the purposes of the restricted, committed, and assigned governmental fund balances at September 30, 2021 and 2020, follows:

	2021				2020			
	General Fund	HCDC	Anti-Crime	Special Projects	2019 GO Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds	Total Governmental Funds
Nonspendable	\$ 1,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,883	\$ 1,881
Restricted for								
Capital projects	-	-	-	-	569,325	3,288,285	3,857,610	9,130,854
Community development	23,642	5,614,746	-	-	-	-	5,638,388	4,766,894
Public safety	368,088	-	7,711,760	-	-	-	8,079,848	6,998,646
Debt service	-	-	-	-	-	1,134,197	1,134,197	1,130,217
Municipal court	510,633	-	-	-	-	-	510,633	543,148
Parks	448,837	-	-	-	-	-	448,837	689,524
Traffic safety	470,195	-	-	-	-	-	470,195	484,574
Tourism, convention center, arts	1,887,275	-	-	-	-	-	1,887,275	1,859,780
Urban transit	2,271,317	-	-	-	-	-	2,271,317	1,693,925
Other	159,067	-	-	-	-	-	159,067	122,899
Assigned								
Capital and special projects	-	-	-	22,251,573	-	-	22,251,573	19,946,306
Other	29,630	-	-	-	-	-	29,630	29,620
Unassigned	9,544,066	-	-	-	-	-	9,544,066	9,584,839
<b>Total fund balance</b>	<b>\$ 15,714,633</b>	<b>\$ 5,614,746</b>	<b>\$ 7,711,760</b>	<b>\$ 22,251,573</b>	<b>\$ 569,325</b>	<b>\$ 4,422,482</b>	<b>\$ 56,284,519</b>	<b>\$ 56,983,107</b>

**Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**Prior-Year Comparative Information**

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's basic financial statements for the year ended September 30, 2020.

**City of Hurst, Texas**  
**Notes to Basic Financial Statements**  
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**Adoption of New Accounting Standards**

The GASB Statement No. 84 (“GASB 84”), *Fiduciary Activities*, established criteria for identifying fiduciary activities. It presents separate criteria for evaluating component units, pension and other postemployment benefit arrangements, and other fiduciary activities. The focus is on a government controlling the assets of the fiduciary activity and identification of the beneficiaries of those assets. Fiduciary activities are reported in one of four types of funds: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, or custodial funds. Custodial funds are used to report fiduciary activities that are not held in a trust. The agency fund designation will no longer be used. GASB 84 also provides guidance on fiduciary fund statements and timing of recognition of a liability to beneficiaries. Implementation of GASB 84 had no material impact on the City.

GASB Statement No. 97 (“GASB 97”), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. This Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. Implementation of GASB 97 had no material impact on the City.

Statement No. 98 (“GASB 98”), *The Annual Comprehensive Financial Report*. This statement establishes the new term annual comprehensive financial report and the acronym ACFR. The adoption had no impact on the City’s net position.

**Future Adoption of Accounting Principles**

The GASB has issued the following potentially significant statements which the City has not yet adopted, and which require adoption subsequent to September 30, 2021.

Statement No.	Title	Adoption Required
87	Leases	September 30, 2022
91	Conduit Debt Obligations	September 30, 2022
94	Public-Private and Public-Public Partnerships and Availability Payment Agreements	September 30, 2022
96	Subscription-Based Information Technology Agreements	September 30, 2023

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**Note 2: Budgetary Data and Stewardship**

The City is required to annually adopt budgets for the General, Special Revenue and Debt Service Funds on a basis consistent with GAAP. Budgeted amounts are originally adopted by the City Council for the 2020-2021 budget. The City follows these procedures in establishing budgetary data reflected in the basic financial statements.

- 1) Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) Prior to September 30, the budget is legally enacted through passage of an ordinance.
- 4) The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council, after public hearings.
- 5) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and the Debt Service Funds.
- 6) Budgetary data for the Capital Projects Funds has not been presented in the accompanying basic financial statements as such funds are budgeted over the life of the respective project and not on an annual basis. Accordingly, formal budgetary integration of the Capital Projects Funds is not employed and comparison of actual results of operations to budgetary data for such funds is not presented.

**City of Hurst, Texas**  
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**Note 3: Deposits and Investments**

The City’s deposit and investment policies are governed by State statutes and the adopted City Investment Policy. City policies governing bank deposits require depositories to be FDIC-insured institutions and depositories must fully collateralize all deposits in excess of FDIC insurance limits. At September 30, 2021, the City’s deposits were entirely insured or collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name; as a result, the City’s deposits were not exposed to custodial credit risk.

External Investment Pools: The City’s pool investments as of September 30, 2021, were invested in TexPool and TexSTAR (Texas Short Term Asset Reserve program).

During the year, the City invested in two public fund investment pools, including TexSTAR and TexPool. Each pool’s governing body is comprised of individuals who are employees, officers or elected officials of participants in the funds or who do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pools are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. Pools offer same day access to investment funds.

Federated Investors is the full-service provider for the TexPool program. As the provider, the responsibilities include managing the assets, providing participant services, and arranging for all custody and other functions in support of the operations under a contract with the State Comptroller of Public Accounts. JPMorgan Investment Management (JPMIM) and Hilltop Securities, Inc. (HSAM) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors. JPMIM serves as an investment advisor to TexSTAR, while HSAM provides administrative participant support and marketing services.

TexPool and TexSTAR are not registered with the Securities and Exchange Commission (SEC) as investment companies. TexPool and TexSTAR are investment pools that have been organized in conformity with the Chapters 791, Interlocal Cooperation Act, and 2256, Public Funds Investment Act, of the Texas Government Code.

Investments in TexPool are carried at amortized cost, while TexSTAR is carried at net asset value.

Investments: The City’s investments, excluding OPEB trust fund investments discussed on the following page, are registered or held by the City or its agent in the City’s name at September 30, 2021, and are as follows:

	<u>Value</u>	<u>Weighted Average</u>
Certificates of deposit	\$ 46,000,000	0.81
Investment pools	10,864,569	2.58
U.S. Treasury Obligations	17,023,776	0.31
Federal Agency Securities	<u>14,650,165</u>	<u>0.29</u>
Portfolio weighted average maturity	<u>\$ 88,538,510</u>	<u>0.99</u>

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Interest Rate Risk: In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk: Statutes authorize the City to invest in obligations of the United States of America, its agencies and instrumentalities, in obligations of the State of Texas and related agencies, in obligations of states, agencies, counties, cities and other political subdivisions of any state rated “A” or above by Standard & Poor’s or Moody’s, repurchase agreements and designated investment pools. The City’s investment in TexPool and TexSTAR are both rated AAA by Standard & Poor’s.

Custodial Credit Risk: The City invests in certificates of deposit at a bank with initial maturities greater than three months. These certificates of deposit are collateralized by securities held in the City’s name by pledging financial institutions.

OPEB Trust Fund Investments: The City has contracted with Public Agency Retirement Services (PARS) for trust administration and Union Bank serves as the trustee for all investments of the OPEB Trust Fund. PARS provides its participants a range of investment strategies, and the City has selected the PARS Balanced HighMark Plus Portfolio. The goal of the Plan’s investment program is to generate adequate long-term returns that, when combined with contributions, will result in sufficient assets to pay present and future obligations to the Plan. The Balanced Portfolio’s goal is to provide growth of both principal and income. The Plan’s underlying investments are allocated between equity, fixed income securities and cash. The OPEB Plan does not have a formal policy for custodial credit risk. As of December 31, 2020, all investments are registered in the name of the OPEB Plan’s custodian established through a master trust custodial agreement. The OPEB Trust Fund investments are carried at fair value of \$6,159,089 as of December 31, 2020. The investment in master trust is classified in Level 3 of the fair value hierarchy using quoted market prices of the mutual funds owned by the trust, allocated among members. The Trust’s funds are invested in a mutual fund that is invested in equity and fixed income mutual funds. The investment strategy of the OPEB Trust Fund is to provide current income with capital appreciation. The credit rating and weighted average maturity is not available for the pool.

Fair Value of Assets: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities



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***Recurring Measurements***

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2021:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
U.S. Treasury Securities	\$ 17,023,776	\$ 17,023,776	\$ -	\$ -
U.S. Agency Securities	14,650,165	-	14,650,165	-
Investment in Master Trust	6,159,089	-	-	6,159,089
Total investments by fair value level	<u>37,833,030</u>	<u>\$ 17,023,776</u>	<u>\$ 14,650,165</u>	<u>\$ 6,159,089</u>
<b>Investments Measured at Net Asset Value – TexSTAR</b>	5,423,213			
<b>Investments Measured at Amortized Cost – TexPool</b>	5,441,356			
<b>Non-negotiable Certificates of Deposit</b>	<u>46,000,000</u>			
Total investments	<u>\$ 94,697,599</u>			

Certain investments that are measured using the net asset value per share (or its equivalent) or amortized cost have not been classified in the fair value hierarchy.

***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

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**Note 4: Property Tax**

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 certain personal property located in the City. The total assessed value upon which the fiscal 2021 levy is based is approximately \$4,390,038,414. Such assessed value is computed based on 100% appraised values.

General property taxes are limited by the Texas Constitution to \$2.50 per \$100 of assessed valuation and by the City's Home Rule Charter to \$1.50 per \$100 of assessed valuation. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2021, is \$0.625159 per \$100 of assessed valuation.

Property taxes attach as an enforceable lien on property as of January 1 following the levy date. Taxes are due by January 31 following the levy date. Current tax collections for the year ended September 30, 2021, are approximately 99% of the tax levy.

**Note 5: Net Receivables**

Net receivables consist of the following at September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
<b>Governmental Activities</b>		
Taxes receivable	\$ 4,190,608	\$ 2,726,924
Contract receivables	-	-
Charges to users	1,080,421	979,200
Interest	98,044	286,751
Other	<u>1,752,576</u>	<u>2,388,057</u>
Total governmental activities net receivables	<u>7,121,649</u>	<u>6,380,932</u>
<b>Business-type Activities</b>		
Charges to users	3,408,543	3,148,180
Interest	42,180	101,832
Other	<u>292,548</u>	<u>281,692</u>
Total business-type activities net receivables	<u>3,743,271</u>	<u>3,531,704</u>
Total net receivables	<u>\$ 10,864,920</u>	<u>\$ 9,912,636</u>

**City of Hurst, Texas**  
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**Note 6: Capital Assets**

A summary of changes in governmental activities capital assets is as follows:

	<b>Balance October 1, 2020</b>	<b>Additions</b>	<b>Disposals/ Reclassifications</b>	<b>Balance September 30, 2021</b>
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 59,579,846	\$ -	\$ -	\$ 59,579,846
Construction in progress	7,835,590	7,194,513	(1,126,088)	13,904,015
	<u>67,415,436</u>	<u>7,194,513</u>	<u>(1,126,088)</u>	<u>73,483,861</u>
<b>Capital Assets Being Depreciated</b>				
Buildings and improvements	93,904,702	-	-	93,904,702
Improvements other than buildings	164,323,111	670,827	-	164,993,938
Machinery and equipment	33,439,507	527,287	(492,440)	33,474,354
Total depreciable	<u>291,667,320</u>	<u>1,198,114</u>	<u>(492,440)</u>	<u>292,372,994</u>
<b>Less Accumulated Depreciation for</b>				
Buildings and improvements	(44,106,164)	(3,038,280)	-	(47,144,444)
Improvements other than buildings	(131,873,693)	(3,593,882)	-	(135,467,575)
Machinery and equipment	(27,042,768)	(1,486,177)	492,440	(28,036,505)
Total accumulated depreciation	<u>(203,022,625)</u>	<u>(8,118,339)</u>	<u>492,440</u>	<u>(210,648,524)</u>
Total depreciable - net	<u>88,644,695</u>	<u>(6,920,225)</u>	<u>-</u>	<u>81,724,470</u>
Governmental activities capital assets, net	<u>\$ 156,060,131</u>	<u>\$ 274,288</u>	<u>\$ (1,126,088)</u>	<u>\$ 155,208,331</u>
	<b>Balance October 1, 2019</b>	<b>Additions</b>	<b>Disposals/ Reclassifications</b>	<b>Balance September 30, 2020</b>
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 59,407,854	\$ 171,992	\$ -	\$ 59,579,846
Construction in progress	7,520,864	5,958,501	(5,643,775)	7,835,590
	<u>66,928,718</u>	<u>6,130,493</u>	<u>(5,643,775)</u>	<u>67,415,436</u>
<b>Capital Assets Being Depreciated</b>				
Buildings and improvements	92,861,482	1,043,220	-	93,904,702
Improvements other than buildings	160,159,516	4,163,595	-	164,323,111
Machinery and equipment	32,567,582	875,565	(3,640)	33,439,507
Total depreciable	<u>285,588,580</u>	<u>6,082,380</u>	<u>(3,640)</u>	<u>291,667,320</u>
<b>Less Accumulated Depreciation for</b>				
Buildings and improvements	(41,017,496)	(3,088,668)	-	(44,106,164)
Improvements other than buildings	(127,944,394)	(3,929,299)	-	(131,873,693)
Machinery and equipment	(25,219,427)	(1,826,981)	3,640	(27,042,768)
Total accumulated depreciation	<u>(194,181,317)</u>	<u>(8,844,948)</u>	<u>3,640</u>	<u>(203,022,625)</u>
Total depreciable - net	<u>91,407,263</u>	<u>(2,762,568)</u>	<u>-</u>	<u>88,644,695</u>
Governmental activities capital assets, net	<u>\$ 158,335,981</u>	<u>\$ 3,367,925</u>	<u>\$ (5,643,775)</u>	<u>\$ 156,060,131</u>

**City of Hurst, Texas**  
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Depreciation is charged to functions as follows:

	<b>2021</b>	<b>2020</b>
<b>Governmental Activities</b>		
General government	\$ 1,618,280	\$ 2,522,048
Public safety	1,871,607	1,598,448
Culture and recreation	2,241,086	2,335,791
Public works	2,387,366	2,388,661
Total governmental activities depreciation expense	\$ 8,118,339	\$ 8,844,948

Depreciation on capital assets held by the City’s Internal Service Funds, which are predominantly related to governmental activities, is charged to various functions based on their usage of the assets and included in the amounts above.

Construction in progress consists of the following at September 30, 2021:

	<b>Project Authorization</b>	<b>Expended Through September 30, 2021</b>	<b>Committed September 30, 2021</b>
Community Services Improvements	\$ 3,479,340	\$ 2,892,773	\$ 586,567
Street Improvements	2,663,747	1,775,562	888,185
Other	11,302,747	9,235,680	2,067,067
Total	\$ 17,445,834	\$ 13,904,015	\$ 3,541,819

The “project authorization” and “committed” amounts above are based on City estimates of total project costs.

**City of Hurst, Texas**  
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A summary of changes in business-type capital assets follows:

	Balance October 1, 2020	Additions	Disposals/ Reclassifications	Balance September 30, 2021
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 564,612	\$ -	\$ -	\$ 564,612
Construction in progress	160,825	1,072,620	(74,701)	1,158,744
	<u>725,437</u>	<u>1,072,620</u>	<u>(74,701)</u>	<u>1,723,356</u>
<b>Capital Assets Being Depreciated</b>				
Utility plant in service	84,041,376	435,820	-	84,477,196
Buildings and improvements	755,227	-	-	755,227
Machinery and equipment	4,201,624	43,599	(14,760)	4,230,463
Total depreciable	<u>88,998,227</u>	<u>479,419</u>	<u>(14,760)</u>	<u>89,462,886</u>
<b>Less Accumulated Depreciation for</b>				
Utility plant in service	(37,981,055)	(1,656,985)	-	(39,638,040)
Buildings and improvements	(325,674)	(25,174)	-	(350,848)
Machinery and equipment	<u>(3,102,471)</u>	<u>(204,642)</u>	<u>14,760</u>	<u>(3,292,353)</u>
Total accumulated depreciation	<u>(41,409,200)</u>	<u>(1,886,801)</u>	<u>14,760</u>	<u>(43,281,241)</u>
Total depreciable - net	<u>47,589,027</u>	<u>(1,407,382)</u>	<u>-</u>	<u>46,181,645</u>
Business-type activities capital assets, net	<u>\$ 48,314,464</u>	<u>\$ (334,762)</u>	<u>\$ (74,701)</u>	<u>\$ 47,905,001</u>
	Balance October 1, 2019	Additions	Disposals/ Reclassifications	Balance September 30, 2020
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 564,612	\$ -	\$ -	\$ 564,612
Construction in progress	2,785,921	851,398	(3,476,494)	160,825
	<u>3,350,533</u>	<u>851,398</u>	<u>(3,476,494)</u>	<u>725,437</u>
<b>Capital Assets Being Depreciated</b>				
Utility plant in service	80,435,782	3,605,594	-	84,041,376
Buildings and improvements	509,262	245,965	-	755,227
Machinery and equipment	4,055,559	146,065	-	4,201,624
Total depreciable	<u>85,000,603</u>	<u>3,997,624</u>	<u>-</u>	<u>88,998,227</u>
<b>Less Accumulated Depreciation for</b>				
Utility plant in service	(36,372,251)	(1,608,804)	-	(37,981,055)
Buildings and improvements	(275,282)	(50,392)	-	(325,674)
Machinery and equipment	<u>(2,853,246)</u>	<u>(249,225)</u>	<u>-</u>	<u>(3,102,471)</u>
Total accumulated depreciation	<u>(39,500,779)</u>	<u>(1,908,421)</u>	<u>-</u>	<u>(41,409,200)</u>
Total depreciable - net	<u>45,499,824</u>	<u>2,089,203</u>	<u>-</u>	<u>47,589,027</u>
Business-type activities capital assets, net	<u>\$ 48,850,357</u>	<u>\$ 2,940,601</u>	<u>\$ (3,476,494)</u>	<u>\$ 48,314,464</u>

**City of Hurst, Texas**  
**Notes to Basic Financial Statements**  
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Construction in progress consists of the following at September 30, 2021:

	Project Authorization	Expended Through September 30, 2021	Committed as September 30, 2021
Water	\$ 783,052	\$ 300,756	\$ 482,296
Sewer	3,068,523	759,123	2,309,400
Other	2,696,396	98,865	2,597,531
Total	<u>\$ 6,547,971</u>	<u>\$ 1,158,744</u>	<u>\$ 5,389,227</u>

**Note 7: Long-term Liabilities**

The following is a summary of changes in long-term liabilities of the City for the years ended September 30, 2021 and 2020:

	October 01, 2020	Additions	Reductions	September 30, 2021	Current Portion
<b>Governmental Activities</b>					
Bonds payable and premiums					
General obligation bonds	\$ 38,435,000	\$ 13,350,000	\$ (15,180,000)	\$ 36,605,000	\$ 2,635,000
Certificates of obligation	13,885,000	-	(810,000)	13,075,000	715,000
Loan from Direct Borrowing	575,000	-	(80,000)	495,000	80,000
Tax Notes	695,000	-	(170,000)	525,000	170,000
Premium	3,659,665	-	(1,130,079)	2,529,586	227,051
Total long-term debt	<u>57,249,665</u>	<u>13,350,000</u>	<u>(17,370,079)</u>	<u>53,229,586</u>	<u>3,827,051</u>
Compensated absences	5,895,708	2,502,995	(2,060,214)	6,338,489	2,535,396
Governmental Activities	<u>\$ 63,145,373</u>	<u>\$ 15,852,995</u>	<u>\$ (19,430,293)</u>	<u>\$ 59,568,075</u>	<u>\$ 6,362,447</u>
Long-term liabilities					

	October 01, 2019	Additions	Reductions	September 30, 2020	Current Portion
<b>Governmental Activities</b>					
Bonds payable and premiums					
General obligation bonds	\$ 40,890,000	\$ -	\$ (2,455,000)	\$ 38,435,000	\$ 2,540,000
Certificates of obligation	14,665,000	-	(780,000)	13,885,000	810,000
Sales tax revenue bonds	-	575,000	-	575,000	80,000
Tax Notes	860,000	-	(165,000)	695,000	170,000
Premium	3,947,087	-	(287,422)	3,659,665	286,052
Total long-term debt payable	<u>60,362,087</u>	<u>575,000</u>	<u>(3,687,422)</u>	<u>57,249,665</u>	<u>3,886,052</u>
Capital lease	-	-	-	-	-
Compensated absences	6,101,327	2,070,379	(2,275,998)	5,895,708	2,408,968
Governmental Activities	<u>\$ 66,463,414</u>	<u>\$ 2,645,379</u>	<u>\$ (5,963,420)</u>	<u>\$ 63,145,373</u>	<u>\$ 6,295,020</u>
Long-term liabilities					

**City of Hurst, Texas**  
**Notes to Basic Financial Statements**  
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	October 01, 2020	Additions	Reductions	September 30, 2021	Current Portion
<b>Business-type Activities</b>					
Bonds payable and premiums					
General obligation bonds	\$ 5,820,000	\$ 145,000	\$ (990,000)	\$ 4,975,000	\$ 925,000
Certificates of obligation	2,360,000	-	(320,000)	2,040,000	115,000
Premium	428,153	-	(92,882)	335,271	52,849
Total bonds payable	<u>8,608,153</u>	<u>145,000</u>	<u>(1,402,882)</u>	<u>7,350,271</u>	<u>1,092,849</u>
Compensated absences	<u>302,993</u>	<u>190,092</u>	<u>(224,619)</u>	<u>268,466</u>	<u>119,202</u>
Business-type Activities					
Long-term liabilities	<u>\$ 8,911,146</u>	<u>\$ 335,092</u>	<u>\$ (1,627,501)</u>	<u>\$ 7,618,737</u>	<u>\$ 1,212,051</u>
	October 01, 2019	Additions	Reductions	September 30, 2020	Current Portion
<b>Business-type Activities</b>					
Bonds payable and premiums					
General obligation bonds	\$ 6,760,000	\$ -	\$ (940,000)	\$ 5,820,000	\$ 855,000
Certificates of obligation	2,670,000	-	(310,000)	2,360,000	115,000
Premium	493,730	-	(65,577)	428,153	65,577
Total bonds payable	<u>9,923,730</u>	<u>-</u>	<u>(1,315,577)</u>	<u>8,608,153</u>	<u>1,035,577</u>
Compensated absences	<u>281,874</u>	<u>409,448</u>	<u>(388,329)</u>	<u>302,993</u>	<u>124,334</u>
Business-type Activities					
Long-term liabilities	<u>\$ 10,205,604</u>	<u>\$ 409,448</u>	<u>\$ (1,703,906)</u>	<u>\$ 8,911,146</u>	<u>\$ 1,159,911</u>

Substantially all vacation and sick leave is paid by the General Fund and Enterprise Funds. Accrued vacation and sick pay are reported in governmental funds only if termination has occurred and the balance is due at year-end. The General Fund is the governmental fund which primarily is responsible for liquidating the net pension and other postemployment liabilities for the governmental activities.

**City of Hurst, Texas**  
**Notes to Basic Financial Statements**  
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*Governmental Activities*

	<b>Outstanding</b>	<b>Due Next Year</b>
<b>Tax Notes</b>		
\$1,180,000 Series 2017 Tax Notes due in annual installments of \$160,000 to \$180,000 through August 2024, plus interest at 1.790%	<u>\$ 525,000</u>	<u>\$ 170,000</u>

	<b>Outstanding</b>	<b>Due Next Year</b>
<b>Tax and Water and Sewer (Limited Pledge)</b>		
<b>Certificates of Obligation</b>		
\$7,355,000 Series 2014 Certificates of Obligation due in annual installments of \$265,000 to \$495,000 through August 2034, plus interest at 3.00% to 3.75%	\$ 5,260,000	\$ 330,000
\$3,750,000 Series 2015 Certificates of Obligation due in annual installments of \$95,000 to \$185,000 through August 2035, plus interest at 2.00% to 4.00%	2,020,000	110,000
\$4,905,000 Series 2016 Certificates of Obligation due in annual installments of \$175,000 to \$345,000 through August 2036, plus interest at 2.00% to 4.00%	3,990,000	200,000
\$1,950,000 Series 2019 Certificates of Obligation due in annual installments of \$70,000 to \$125,000 through August 2038, plus interest at 3.00%	<u>1,805,000</u>	<u>75,000</u>
Certificates of obligation	<u>\$ 13,075,000</u>	<u>\$ 715,000</u>



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

	<b>Outstanding</b>	<b>Due Next Year</b>
<b>Tax and Water and Sewer (Limited Pledge)</b>		
<b>General Obligation</b>		
\$2,960,000 Series 2011 General Obligation Refunding Bonds due in annual installments of \$125,000 to \$350,000 through August 2022, plus interest at 2.00% to 4.00%	\$ 125,000	\$ 125,000
\$15,565,000 Series 2012 General Obligation Improvement Bonds due in annual installments of \$255,000 to \$870,000 through August 2042, plus interest at 2.00% to 3.375%	385,000	385,000
\$1,810,000 Series 2012 General Obligation Refunding Bonds due in annual installments of \$100,000 to \$205,000 through August 2023, plus interest at 2.00% to 4.00%	195,000	195,000
\$5,705,000 Series 2013 General Obligation Refunding Bonds due in annual installments of \$290,000 to \$585,000 through August 2026, plus interest at 2.00% to 3.50%	2,710,000	540,000
\$4,915,000 Series 2015 General Obligation Refunding Bonds due in annual installments of \$10,000 to \$370,000 through August 2027, plus interest at 2.00% to 4.00%	2,055,000	310,000
\$1,345,000 Series 2016 General Obligation Refunding Bonds due in annual installments of \$5,000 to \$160,000 through September 2028, plus interest at 2.00% to 4.00%	985,000	125,000
\$4,945,000 Series 2016 General Obligation Refunding Bonds due in annual installments of \$15,000 to \$340,000 through September 2038, plus interest at 2.00% to 4.00%	4,385,000	190,000
\$4,950,000 Series 2016 General Obligation Refunding Bonds due in annual installments of \$15,000 to \$340,000 through September 2038, plus interest at 2.00% to 4.00%	4,385,000	190,000
\$1,500,000 Series 2017 General Obligation Refunding Bonds due in annual installments of \$15,000 to \$190,000 through August 2029, plus interest at 2.190%	1,315,000	170,000
\$7,225,000 Series 2019 General Obligation Bonds due in annual installments of \$250,000 to \$470,000 through August 2039, plus interest at 2.5% to 4.5%	6,715,000	275,000
\$13,350,000 Series 2021 General Obligation Bonds due in annual installments of \$130,000 to \$800,000 through September 2042, plus interest at .22% to 2.83%	13,350,000	130,000
General obligation	\$ 36,605,000	\$ 2,635,000

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

*Business-type Activities*

	<b>Outstanding</b>	<b>Due Next Year</b>
<b>Certificates of Obligation</b>		
\$3,750,000 Series 2015 Certificates of Obligation due in annual installments of \$40,000 to \$80,000 through August 2035, plus interest at 2.00% to 4.00%	\$ 870,000	\$ 50,000
\$1,360,000 Series 2018 Certificates of Obligation due in annual installments of \$60,000 to \$75,000 through August 2038, plus interest at 0.13% to 1.53%	1,170,000	65,000
Total certificates of obligation	\$ 2,040,000	\$ 115,000
<b>General Obligation Refunding Bonds</b>		
\$2,395,000 Series 2011 General Obligation Refunding Bonds due in annual installments of \$40,000 to \$285,000 through August 2022, plus interest at 2.00% to 4.00%	\$ 130,000	\$ 130,000
\$1,215,000 Series 2012 General Obligation Refunding Bonds due in annual installments of \$100,000 to \$135,000 through August 2023, plus interest at 2.00% to 4.00%	125,000	125,000
\$2,125,000 Series 2013 General Obligation Refunding Bonds due in annual installments of \$160,000 to \$315,000 through August 2026, plus interest at 2.00% to 3.50%	760,000	180,000
\$4,915,000 Series 2015 General Obligation Refunding Bonds due in annual installments of \$5,000 to \$160,000 through August 2027, plus interest at 2.00% to 4.00%	850,000	130,000
\$1,070,000 Series 2016 General Obligation Refunding Bonds due in annual installments of \$90,000 to \$125,000 through September 2028, plus interest at 2.00% to 4.00%	790,000	100,000
\$2,350,000 Series 2017 General Obligation Refunding Bonds due in annual installments of \$25,000 to \$285,000 through August 2029, plus interest of 2.190%	2,175,000	255,000
\$145,000 Series 2021 General Obligation Bonds due in annual installments of \$5,000 to \$140,000 through September 2023, plus interest at 0.22% to 0.32%	145,000	5,000
Total general obligation bonds	\$ 4,975,000	\$ 925,000

**City of Hurst, Texas**  
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Certain bond issues contain a provision that allows the City to prepay or call the bonds at no premium.

The annual requirements including interest to amortize all long-term debt outstanding at September 30, 2021, follow:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 3,600,000	\$ 1,605,698	\$ 1,040,000	\$ 196,106
2023	3,620,000	1,448,586	950,000	163,864
2024	3,505,000	1,346,918	815,000	138,947
2025	3,430,000	1,241,144	855,000	114,296
2026	3,395,000	1,134,837	665,000	88,134
2027-2031	13,035,000	4,322,871	1,880,000	203,215
2032-2036	12,535,000	2,309,695	660,000	57,507
2037-2041	6,780,000	605,834	150,000	3,420
2042-2046	800,000	22,640	-	-
Total	<u>\$ 50,700,000</u>	<u>\$ 14,038,223</u>	<u>\$ 7,015,000</u>	<u>\$ 965,489</u>

***Loan from Direct Borrowing***

During 2020, the City entered into a loan agreement with First National Bank of Texas for \$575,000, Series 2020 Public Property Finance Contractual Obligation. The loan is due in annual installments of \$75,000 to \$90,000 through 2027, plus interest of 2.75%. Balance due as of September 30, 2021 is \$495,000.

***Debt Refunding***

During the current fiscal year, the City refunded \$12,775,000 of governmental general obligation (GO) bonds by issuing \$13,495,000 in a taxable refunding issuance entitled GO Refunding Bonds, Taxable Series 2021. No additional proceeds were received, and the City paid \$204,841 in issuance costs and underwriter discounts from the Debt Service Fund. As a result of the taxable refunding, the City reduced its total debt service requirements by \$1,807,039, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$1,405,000.

**City of Hurst, Texas**  
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**Note 8: Defined Benefit Pension Plans**

Plan Description: The City participates as one of approximately 900 plans in the nontraditional, hybrid defined benefit pension plan administered by 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 comprehensive annual financial report (CAFR) 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 payment options.

Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

A summary of plan provisions for the City are as follows:

Employee deposit rate:	7%
Matching ratio (City to Employee):	2 to 1
Years required for vesting	5 years
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated service credit	100% repeating
Annuity increase to retirees*	30% of CPI-U

\*TMRS allows cities to calculate Cost of Living Adjustments (COLAs) for retirees on an annual or ad hoc basis. The City has opted for the ad hoc basis calculation.

**City of Hurst, Texas**  
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At the December 31, 2020, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	295
Inactive employees entitled to but not yet receiving benefits	242
Active employees	357
	894

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

Employees for the City of Hurst were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Hurst were 11.87% and 11.22% in calendar years 2021 and 2020, respectively. The City’s contributions to TMRS for the year ended September 30, 2021, were \$3,029,768 and were equal to the required contributions.

Net Pension Liability: The City’s net pension liability (NPL) was measured as of December 31, 2020, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

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

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

**City of Hurst, Texas**  
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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 post-retirement 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, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

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

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

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

**City of Hurst, Texas**  
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Changes in the Net Pension Liability	Total Pension Liability (a)	Plan Fiduciary Assets (b)	Net Pension Liability (a) - (b)
<b>Balance at October 1, 2020</b>	\$ 181,973,735	\$ 163,379,326	18,594,409
Changes for the year			
Service cost	4,355,601	-	4,355,601
Interest	12,112,003	-	12,112,003
Difference between expected and actual experience	(484,413)	-	(484,413)
Changes of assumptions	-	-	-
Contributions – employer	-	2,999,772	(2,999,772)
Contributions – employee	-	1,871,652	(1,871,652)
Net investment income	-	12,388,487	(12,388,487)
Benefit payments, including refunds of employee contributions	(9,428,922)	(9,428,922)	-
Administrative expense	-	(80,247)	80,247
Other changes	-	(3,131)	3,131
Net changes	<u>6,554,269</u>	<u>7,747,611</u>	<u>(1,193,342)</u>
<b>Balance at September 30, 2021</b>	<u>\$ 188,528,004</u>	<u>\$ 171,126,937</u>	<u>\$ 17,401,067</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well as what the City’s net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City’s net pension liability (asset)	<u>\$ 42,271,311</u>	<u>\$ 17,401,067</u>	<u>\$ (3,206,558)</u>

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended September 30, 2021, the City recognized pension expense of \$2,152,474.

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 549,863	\$ 691,523
Changes of assumptions	165,509	-
Net difference between projected and actual earnings on pension plan investments	-	4,641,030
Contributions subsequent to the measurement date	2,235,387	-
Total	\$ 2,950,759	\$ 5,332,553

\$2,235,387 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended September 30,</b>	<b>Net Deferred Outflows/ (Inflows) of Resources</b>
2022	\$ (1,684,161)
2023	168,478
2024	(2,761,707)
2025	(339,791)
Total	\$ (4,617,181)



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

**Note 9: Interfund Balances**

Interfund Due To/Due From balances are primarily related to balances of working capital loans made between the funds listed below, which are expected to be collected in the subsequent year. At September 30, 2021, the respective interfund balances follow:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 261,298	\$ 611,399
HCDC Special Revenue Fund	-	1,108
Anti-crime Special Revenue Fund	-	230,412
Special Projects Capital Projects Fund	1,395,138	-
Water and Sewer Enterprise Fund	-	783,739
Nonmajor Governmental funds	-	29,778
	<u>\$ 1,656,436</u>	<u>\$ 1,656,436</u>

A summary of interfund transfers for the year ended September 30, 2021, follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 41,675	\$ 3,555,423
HCDC Special Revenue Fund	-	1,229,591
Anti-crime Special Revenue Fund	-	17,850
Special Projects Capital Projects Fund	2,466,279	41,675
Water & Sewer Enterprise Fund	1,639,038	1,798,477
Conference & Meeting Center Fund	60,000	-
Nonmajor governmental funds	1,591,791	-
Internal service funds	847,401	3,168
	<u>\$ 6,646,184</u>	<u>\$ 6,646,184</u>

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them and (2) use unrestricted revenues in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

The HCDC Special Revenue Fund transferred funds to the HCDC Debt Service Fund so that required debt service payments are funded.

The General Fund transferred an excess of revenues over expenditures to the Special Projects Fund for economic development, emergency reserves and unfunded needs.

The General Fund transferred funds to the Internal Service Fund for IT project upgrades.

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

**Note 10: Indirect Cost/Street Rental Fees**

The General Fund provides certain general and administrative services and use of the City's streets to the proprietary fund types. Charges for such services totaled \$5,365,449 in 2021 and \$5,158,279 in 2020 and are reflected as reductions of expenditures in the General Fund and as expenses in the proprietary fund types.

**Note 11: Water and Sewer Contracts**

On May 9, 2018, the City entered into a 20-year contract with the City of Fort Worth for the transportation, treatment and disposal of sanitary sewage and other wastes. Under the terms of the contract, the City is obligated to make payments for sewage actually discharged and to share in the cost of operation and maintenance of the system. Sewer charges for 2021 under this contract were approximately \$2,050,000.

On November 16, 2010, the City entered into a 20-year contract with the City of Fort Worth for the purchase of water. The City is obligated to pay varying amounts based on annual consumption and new rates established under the terms of the contract. During 2021, water purchases under the contract cost approximately \$4,250,000.

In 1969, the City entered into a 30-year contract with the Trinity River Authority of Texas (Authority) for the transportation, treatment and disposal of sanitary sewage and other wastes. Under the terms of the contract, the City is obligated to make payments for sewage actually discharged and to share in the cost of operation and maintenance of the system. The Authority wastewater transportation contracts expired January 1, 2000; however, operations continued under the previous agreement by mutual consent pending development of a new contract, which was executed in October 2001 and amended in October 2017. The new contract and its amendments will remain in effect while any related Authority bonds are outstanding.

In 1975, the City entered into another contract expiring in 2023 with the Authority for the construction of a wastewater collection point on the Authority's system. The contract enables the City to utilize the Authority's system for disposal of wastewater. Under the terms of the contract, the City is obligated to share in the cost of the operation and maintenance of the system based on sewage actually discharged. Wastewater treatment charges incurred during 2021 under the 1969 and 1975 contracts with the Authority approximates \$1,800,000.

**Note 12: Contingent Liabilities**

***Grant Programs***

The City participates in a number of state and federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

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

***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 that they will materially affect the City's operations or financial position. The amount of ultimate loss, if any, could differ materially.

**Note 13: Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To transfer some of the financial risk that would occur from these exposures, the City carries general, law enforcement, errors and omissions, and automobile liability insurance. The City also carries real and personal, flood and earthquake, boiler and machinery, and mobile equipment property insurance. Coverage amounts and deductibles vary. Property losses are insured on an "all-risk" basis with a basic \$10,000 deductible. The City also purchased fidelity bonds and insurance to protect the City from employee dishonesty and theft by others.

The City established a Loss Reserve Fund (an internal service fund) to account for and finance its uninsured risks of loss for the City's largest uninsured category, employee health care benefits. Under this program, the fund pays for medical claims and administrative costs to the health care provider. The administrative costs include an annual amount for coverage of claims exceeding \$150,000 per covered person, a cost for potential claims after an attachment point of approximately \$5,400,000 per year and costs of administering the program, about \$1,500 per employee. During the course of the program, the attachment point for aggregate claims has never been reached.

All operating funds of the City make payments to the Loss Reserve Fund based on estimates of the amounts needed to pay prior and current year claims and to adjust a reserve for catastrophic losses. A consulting firm provides an analysis. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

Accrued claims payable, including claims that are incurred but not reported, are recorded as fund liabilities. The provision for claims is determined by estimating the amount which will ultimately be paid based on the City's experience.

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

Changes in the Funds' claims liability amount and administrative service amounts in fiscal years 2021 and 2020 are as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>		<u>Claims Payments</u>	<u>End of Fiscal Year Liability</u>
<b>Loss Reserve Fund</b>					
2019-2020	\$ 384,424	\$ 6,398,246	Claims	\$ 5,171,500	\$ 328,000
			ASO	\$ 1,283,170	
2020-2021	\$ 328,000	\$ 6,599,222	Claims	\$ 5,228,175	\$ 339,792
			ASO	\$ 1,359,255	
<b>General Fund – General Liability</b>					
2019-2020	\$ 100,000	\$ -		\$ -	\$ 100,000
2020-2021	\$ 100,000	\$ -		\$ -	\$ 100,000

**Note 14: Other Postemployment Benefit (OPEB) Plan**

***Plan Description***

The City offers retired employees and their dependents the option to retain health and dental insurance coverage under the City's plan through a single employer defined benefit OPEB plan administered by the City of Hurst Post-Retirement Health Care Plan Trust. Public Agency Retirement Services (PARS) is the Trust Administrator. The governing body of the Trust is composed of a coalition of member public agencies. Each member public agency appoints its individual plan administrator to serve as a member of the governing body. Certain provisions of the Trust may be changed by a two-thirds vote of the members of the governing body. A more detailed description of the plan is as follows:

***Eligibility***

The benefit is available to retirees and their spouses.

An employee must resign and satisfy the requirements for service retirement under the TMRS with at least 10 years of consecutive full-time service with the City immediately prior to retirement or, effective April 1, 2002, have a minimum of 25 years of full-time service with the City including a minimum of eight consecutive years of full-time service with the City immediately prior to retirement.

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

A retiree or his/her spouse is INELIGIBLE for coverage if he or she is eligible for any other group coverage through employment and will be required to certify this information.

A retiree/spouse who is not eligible when the employee retires is not eligible to rejoin at a later date. If an eligible retiree/spouse waives coverage at any time, they are not eligible for reinstatement in the future.

*Benefits Provided*

AFTER AGE 65 – Enroll in Medicare Advantage Plan, currently Humana. For each qualified retiree/spouse the City will contribute to the cost of a Group Medicare Advantage Plan for the eligible retiree/spouse in lieu of coverage through the City of Hurst Retiree Health Plan (retiree/spouse must be eligible to enroll). Eligible participating retirees and spouses age 65+ have the option to select a supplementary Medigap policy or another Medicare Advantage plan of their choice, and the City will reimburse the retiree and/or spouse what the City would have contributed for the retiree and/or spouse to the currently provided Medicare Advantage plan with documentation of the retiree's and/or spouse's monthly payment for the alternative policy/plan. The retiree and/or spouse will be responsible for the remainder of the premium. Eligible retirees/spouses must enroll in Medicare once eligible and pay the Medicare premiums.

BEFORE AGE 65 – Enroll in the City's Retiree Health Plan. The City will contribute to the cost of the eligible retiree/spouse/dependent coverage. The eligible retiree will also contribute towards this coverage and the cost will vary based on the eligible retiree's years of consecutive full-time service to the City immediately prior to TMRS service retirement and level of coverage. Upon reaching the age of 65, the retiree/spouse will have the AFTER AGE 65 options listed above.

*Surviving Dependents*

If an eligible retiree and his/her eligible dependents are covered by the City of Hurst Retiree Health Plan and the retiree dies:

The surviving spouse may continue as a survivor under the plan up to age 65. He/she may continue eligible dependent coverage with the City's plan by paying the applicable retiree/dependent cost based on the retiree's years of consecutive service with the City of Hurst immediately prior to the eligible retiree's TMRS service retirement. Surviving spouses/dependents must continue to meet eligibility requirements.

At age 65, the surviving spouse may be covered by the City's Medicare Advantage plan in effect at the time by paying 100% of the Medicare Advantage premium as long as he/she continues to meet eligibility requirements. Retiree reimbursement option is not available to surviving spouses.

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

*Life Insurance*

Effective for employees retiring October 1, 1997, or later, the City continues life insurance for the retiree at 50% of the City provided life insurance the retiree had as an active employee at no cost to the retiree. Effective October 1, 2011, the maximum retiree life insurance is \$75,000. The amount of retiree life insurance coverage is subject to the same percentage reductions as active employees at age 70 or older.

*Dental*

Eligible retirees may continue the dental coverage they had for themselves and their eligible dependents on their date of retirement by paying 100% of the premium. There is no City contribution.

**IMPORTANT NOTICE: THE CITY RESERVES THE RIGHT TO AMEND, MODIFY, AND/OR TERMINATE ITS PARTICIPATION WITH RETIREE COVERAGE AT ANY TIME. NO PERSON SHALL BE VESTED IN ANY RIGHT UNDER THIS POLICY OF RETIREE COVERAGE.**

A measurement date of December 31, 2020, was used for the September 30, 2021, liability and expense. The information that follows was determined as of a valuation date of December 31, 2020.

At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	150
Active employees	352
Total employees	502

The City Manager has the authority to establish and amend the benefit terms of the OPEB plan. Though the City has established a trust under the OPEB plan, the City employs a pay-as-you-go method for funding annually required benefit payments.

*Investments*

The long-term expected rate of return on OPEB 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized in the Asset Class table below.

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

*Investment Policy*

The plan’s policy in regard to the allocation of invested assets is established by the City. The current asset allocation policy at the end of 2021 is as follows:

<b>Asset Class</b>	<b>Target Allocation</b>
Equity	60.00%
Fixed Income	35.00%
Cash	5.00%
Total	100.00%

*Concentrations*

All of the Plan’s investments are held with Public Agency Retirement Services in the Balanced Strategy Growth Fund.

*Rate of Return*

For the year ended December 31, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 13.48%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability: The City’s net OPEB liability of \$14,588,396 (\$11,631,328 governmental activities and \$2,957,068 business-type activities) was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020.

Actuarial Assumptions: The total OPEB liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	4.44% as of December 31, 2020 (5.05% as of December 31, 2019)
Inflation	2.50%
Salary Increase	3.50% to 11.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018, as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years
Participation Rates	Participation rates vary based on years of City service. For employees with over 20 years of City service, participation rates vary from 35% to 95%.

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

Discount Rate: Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects: (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of developing the single discount rate, the City’s future contributions were based on a 30-year, open amortization. Based on this funding policy, the last year in the single discount rate projection period for which projected benefit payments were fully funded was 2049.

For the purpose of the December 31, 2020, valuation, the expected rate of return on OPEB plan investments is 6.50%; the municipal bond rate is 2.00% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”); and the resulting Single Discount Rate is 4.44%.

Changes in the Net OPEB Liability:

Change in the Net OPEB Liability	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Balance at December 31, 2020</b>	\$ 18,530,781	\$ 4,768,897	\$ 13,761,884
Changes for the year:			
Service cost	682,587	-	682,587
Interest	933,744	-	933,744
Difference between expected and actual experience	(10,073)	-	(10,073)
Changes of assumptions	1,374,648	-	1,374,648
Contributions – employer	-	1,511,286	(1,511,286)
Net investment income	-	654,740	(654,740)
Benefit payments	(764,202)	(764,202)	-
Administrative expense	-	(11,632)	11,632
Net changes	<u>2,216,704</u>	<u>1,390,192</u>	<u>826,512</u>
<b>Balance at December 31, 2021</b>	<u>\$ 20,747,485</u>	<u>\$ 6,159,089</u>	<u>\$ 14,588,396</u>



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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rates: The net OPEB liability of the City has been calculated using a discount rate of 4.44%. The following presents the net OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	<b>1% Decrease in Discount Rate (3.44%)</b>	<b>Current Discount Rate Assumption (4.44%)</b>	<b>1% Increase in Discount Rate (5.44%)</b>
Net OPEB liability	\$ 17,127,173	\$ 14,588,396	\$ 12,396,907

The net OPEB liability of the City has been calculated using the assumed health care cost trend rates of 7.00% decreasing to 4.15%. The following presents the net OPEB liability using health care cost trend rates 1.00% higher and 1.00% lower than the current health care cost trend rates.

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate Assumption</b>	<b>1% Increase</b>
Net OPEB liability	\$ 12,738,125	\$ 14,588,396	\$ 16,814,108

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2021, the City recognized OPEB expense of \$1,010,151. At September 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 2,618,859
Changes of assumptions	1,915,001	34,307
Net difference between projected and actual earnings on OPEB investments	-	385,915
Contributions subsequent to the measurement date	1,191,784	-
Total	\$ 3,106,785	\$ 3,039,081

Contributions subsequent to the measurement date and before fiscal year-end will be recognized as a reduction of the net OPEB liability in the year ending September 30, 2022.

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

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

<u>Year Ended September 30,</u>	<u>Net Deferred Outflows/(Inflows) of Resources</u>
2022	(271,088)
2023	(225,448)
2024	(305,326)
2025	(286,015)
2026	(235,169)
Thereafter	198,966
Total	\$ (1,124,080)

**Note 15: Defined Contribution Plan – 457(b) Plan**

The City maintains a voluntary defined contribution plan covering substantially all employees. The defined contribution plan is a 457(b) plan and is administered by Inwest Retirement Solutions. The Plan provisions and contribution requirements are established and may be amended by the Plan administrator. Nationwide Trust Company is the trustee of the plan. The City does not contribute to this plan.

**Note 16: Tax Abatement Disclosures**

As of September 30, 2021, the City offers tax incentives under Chapter 380 of the Texas Local Government Code. Chapter 380 of the Local Government Code authorizes municipalities to offer incentives designed to promote economic development such as commercial and retail projects. Specifically, it provides for offering loans and grants of city funds or services to promote state and local economic development and to stimulate business and commercial activity. There are no other economic development programs that provide for tax incentives currently offered by the City of Hurst.

In 1987, Texas voters approved a constitutional amendment allowing for public expenditures to support economic development activities. The amendment explicitly provides for programs that use public funds for the purposes of development and diversification of the state’s economy. Then in 1989, Chapter 380 of the Local Government code greatly expanded this by enabling municipalities to also engage in using public funds to support economic development. Chapter 380 agreements do not require a year limit and allows municipalities to provide monies, loans, city personnel and city services for the promotion and encouragement of economic development.

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

Although Chapter 380 provides for broad use of city resources, the City closely evaluates each proposed 380 agreement on a case-by-case basis. While the City typically places a hard cap on years and financial support, whichever occurs first, we do have one agreement that does not cap the number of years and only expires when the total financial support is met. The year and financial caps are negotiated in each distinct agreement.

The City has six active 380 agreements covering retail, hospitality, and entertainment. In each case a combination of tax incentives was used in the negotiations, including property, sales and hotel occupancy tax. Under the 380 agreements, tax incentives are considered a “tax sharing” agreement. This means that no taxes are actually abated, rather all taxes must be paid in full to the City and the City will provide a payment to the entity each year equal to the amount authorized in their respective contracts. Through sharing revenue under chapter 380, the City is able to verify that the entity has completed their requirements as outlined in their contract.

In FY 21, the City of Hurst rebated (abated) \$1,144,326 in property and sales taxes. The table below summarizes the tax sharing agreements in place for FY 21.

<b>Company</b>	<b>% of Property Taxes Abated</b>	<b>% of Sales Taxes Abated</b>	<b>% of Hotel Occupancy Taxes Abated</b>	<b>Total Taxes Abated</b>
Simon Properties	N/A	65%	N/A	\$ 806,657
Hurst One, LLC	50%	70%	N/A	\$ 122,195
Sky Group Investments	40%	0%	N/A	\$ 8,361
CN Churchill IV LLC	90%	0%	85%	\$ 207,113

Of the six active 380 agreements, the City did not rebate any taxes to EREP Sprouts Crossing I, LLC or to Phillips Edison as they did not meet their performance requirements.

## **Required Supplementary Information**



**City of Hurst, Texas**  
**Required Supplementary Information**  
**Schedule of Changes in The City's Net Pension Liability and Related Ratios – TMRs**  
**Last 10 Years\***  
**(Unaudited)**

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020
<b>Total Pension Liability</b>							
Service cost	\$ 3,237,732	\$ 3,659,696	\$ 3,973,289	\$ 4,106,510	\$ 4,141,532	\$ 4,294,773	\$ 4,355,601
Interest (on the Total Pension Liability)	9,694,314	10,074,733	10,295,405	10,751,911	11,221,017	11,603,397	12,112,003
Difference between expected and actual experience	(1,004,246)	(346,324)	502,382	764,482	(778,214)	635,990	(484,413)
Change of assumptions	-	2,268,583	-	-	-	286,317	-
Benefit payments, including refunds of employee contributions	(6,537,857)	(6,870,568)	(7,556,886)	(8,592,383)	(8,789,026)	(9,203,080)	(9,428,922)
<b>Net Change in Total Pension Liability</b>	5,389,943	8,786,120	7,214,190	7,030,520	5,795,309	7,617,397	6,554,269
<b>Total Pension Liability - Beginning</b>	140,140,256	145,530,199	154,316,319	161,530,509	168,561,029	174,356,338	181,973,735
<b>Total Pension Liability - Ending (a)</b>	145,530,199	154,316,319	161,530,509	168,561,029	174,356,338	181,973,735	188,528,004
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	2,402,228	2,450,163	2,376,553	2,687,273	2,806,311	2,942,019	2,999,772
Contributions - employee	1,570,083	1,688,782	1,727,426	1,789,807	1,810,318	1,879,028	1,871,652
Net investment income	7,524,651	201,292	9,037,883	19,293,284	(4,620,014)	22,463,670	12,388,487
Benefit payments, including refunds of employee contributions	(6,537,857)	(6,870,568)	(7,556,886)	(8,592,383)	(8,789,026)	(9,203,080)	(9,428,922)
Administrative expense	(78,569)	(122,612)	(102,096)	(100,013)	(89,337)	(127,039)	(80,247)
Other	(6,459)	(6,056)	(5,503)	(5,069)	(4,667)	(3,817)	(3,131)
<b>Net Change in Plan Fiduciary Net Position</b>	4,874,077	(2,658,999)	5,477,377	15,072,899	(8,886,415)	17,950,781	7,747,611
<b>Plan Fiduciary Net Position - Beginning</b>	131,549,606	136,423,683	133,764,684	139,242,061	154,314,960	145,428,545	163,379,326
<b>Plan Fiduciary Net Position - Ending (b)</b>	136,423,683	133,764,684	139,242,061	154,314,960	145,428,545	163,379,326	171,126,937
<b>City's Net Pension Liability - Ending (a) - (b)</b>	\$ 9,106,516	\$ 20,551,635	\$ 22,288,448	\$ 14,246,069	\$ 28,927,793	\$ 18,594,409	\$ 17,401,067
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	93.74%	86.68%	86.20%	91.55%	83.41%	89.78%	90.77%
<b>Covered Payroll</b>	\$ 22,349,232	\$ 23,504,794	\$ 24,663,496	\$ 25,553,888	\$ 25,836,133	\$ 26,842,333	\$ 26,737,880
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	40.75%	87.44%	90.37%	55.75%	111.97%	69.27%	65.08%

**Other Information:**

The discount rate changed from 7.00% to 6.75% for the 2016 valuation; there were no other changes in assumptions.

\*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 Hurst, Texas**  
**Required Supplementary Information**  
**Schedule of City Contributions – TMRS**  
**Last 10 Years\***  
**(Unaudited)**

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Actuarially determined contribution	\$ 2,462,235	\$ 2,468,088	\$ 2,604,026	\$ 2,736,709	\$ 2,904,605	\$ 2,910,714	\$ 3,029,768
Contributions in relation to the actuarially determined contribution	<u>2,472,612</u>	<u>2,472,131</u>	<u>2,615,694</u>	<u>2,760,558</u>	<u>2,904,605</u>	<u>2,946,295</u>	<u>3,029,768</u>
<b>Contribution Deficiency (Excess)</b>	<u>\$ (10,377)</u>	<u>\$ (4,043)</u>	<u>\$ (11,668)</u>	<u>\$ (23,849)</u>	<u>\$ -</u>	<u>\$ (35,581)</u>	<u>\$ -</u>
Covered Payroll	\$ 23,982,153	\$ 25,292,040	\$ 25,399,155	\$ 25,632,597	\$ 26,565,856	\$ 26,356,739	\$ 26,288,728
Contributions as a Percentage of Covered Payroll	10.31%	9.77%	10.30%	10.77%	10.93%	11.18%	11.52%

**Notes to Schedule:**

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	3.5% 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 basis with scale UMP.

**Other Information:**

Notes Granted 30% ad hoc COLA.

\*The information in this schedule has been determined for the fiscal year end of the City 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 Hurst, Texas**  
**Required Supplementary Information**  
**Schedule of Changes in The City's Net OPEB Liability and Related Ratios**  
**Last 10 Years\***  
**(Unaudited)**

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020
<b>Total OPEB Liability</b>				
Service cost	\$ 689,481	\$ 768,566	\$ 792,053	\$ 682,587
Interest (on the Total OPEB Liability)	981,235	1,004,827	1,061,546	933,744
Difference between expected and actual experience	-	(67,845)	(3,560,217)	(10,073)
Change of assumptions	644,834	(58,439)	599,659	1,374,648
Benefit payments, including refunds of employee contributions	(849,310)	(680,984)	(682,789)	(764,202)
<b>Net Change in Total OPEB Liability</b>	1,466,240	966,125	(1,789,748)	2,216,704
<b>Total OPEB Liability - Beginning</b>	17,888,164	19,354,404	20,320,529	18,530,781
<b>Total OPEB Liability - Ending (a)</b>	19,354,404	20,320,529	18,530,781	20,747,485
<b>Plan Fiduciary Net Position</b>				
Employer contributions	877,112	1,073,668	1,433,489	1,511,286
Net investment income	413,998	(171,374)	677,555	654,740
Benefit payments	(849,310)	(680,984)	(682,789)	(764,202)
Administrative expense	(7,175)	(7,904)	(9,189)	(11,632)
<b>Net Change in Plan Fiduciary Net Position</b>	434,625	213,406	1,419,066	1,390,192
<b>Plan Fiduciary Net Position - Beginning</b>	2,701,800	3,136,425	3,349,831	4,768,897
<b>Plan Fiduciary Net Position - Ending (b)</b>	3,136,425	3,349,831	4,768,897	6,159,089
<b>City's Net OPEB Liability - Ending (a) - (b)</b>	\$ 16,217,979	\$ 16,970,698	\$ 13,761,884	\$ 14,588,396
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	16.21%	16.48%	25.74%	29.69%
<b>Covered Employee Payroll</b>	\$ 25,094,883	\$ 25,064,769	\$ 26,261,996	\$ 26,373,442
<b>City's Net OPEB Liability as a Percentage of Covered Employee Payroll</b>	64.63%	67.71%	52.40%	55.31%

Notes to schedule:

Changes of assumptions reflect the effect of changes in the discount rate each period. The following are the discount rates used in each period: 2020 - 4.44%, 2019 - 5.05%, 2018 - 5.21%, 2017 - 5.18%, 2016 - 5.51%

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



**City of Hurst, Texas**  
**Required Supplementary Information**  
**Schedule of City Contributions – OPEB**  
**Last 10 Years\***  
**(Unaudited)**

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Actuarially determined contribution	\$ 1,044,493	\$ 1,308,968	\$ 1,348,237	\$ 1,388,684
Contribution in relation to the actuarially determined contribution	<u>1,103,792</u>	<u>1,512,327</u>	<u>1,350,433</u>	<u>1,489,582</u>
<b>Contribution Deficiency (Excess)</b>	<u>\$ (59,299)</u>	<u>\$ (203,359)</u>	<u>\$ (2,196)</u>	<u>\$ (100,898)</u>
<b>Covered Payroll</b>	\$ 26,669,986	\$ 27,538,631	\$ 26,767,738	\$ 26,689,275
<b>Contributions as a Percentage of Covered Payroll</b>	4.14%	5.49%	5.05%	5.58%

**Notes to Schedule:**

Valuation Date: December 31, 2020

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level percentage of pay
Amortization Period	Open, 30-years
Asset Valuation Method	Fair value
Inflation	2.5%
Healthcare Cost Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.00% after 15 years
Salary Increases	3.5% to 10.5%, including inflation
Investment Rate of Return	6.85%, net of investment expense, including inflation
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	For healthy retirees, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.

\*The information in this schedule has been determined for the fiscal year end of the City and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions, only periods for which such information is available are presented.

**City of Hurst, Texas**  
**Required Supplementary Information**  
**Schedule of Investment Returns – OPEB**  
**Last 10 Years\***  
**(Unaudited)**

<b>Plan Year</b>	<b>Annual Money- Weighted Rate of Return</b>
2017	15.64 %
2018	(4.66) %
2019	19.90 %
2020	13.48 %

\*The information in this schedule has been determined as of the measurement date (December 31) of the City’s net 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, only periods for which such information is available are presented.

**City of Hurst, Texas**  
**Required Supplementary Information**  
**General Fund – Schedule of Revenues, Expenditures, and Changes in Fund**  
**Balance – Budget to Actual – GAAP Basis**  
**Year Ended September 30, 2021 with Comparative Actual for Year Ended**  
**September 30, 2020**

	2021				2020
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Revenues</b>					
<b>Taxes</b>					
Property taxes	\$ 16,195,768	\$ 16,195,768	\$ 16,385,592	\$ 189,824	\$ 15,147,257
Penalties and interest	65,000	65,000	84,581	19,581	90,266
City sales taxes	8,024,735	8,024,735	10,901,645	2,876,910	9,913,411
Mixed beverage taxes	153,000	153,000	131,331	(21,669)	125,599
Franchise taxes	2,733,000	2,733,000	2,563,184	(169,816)	2,669,328
	<u>27,171,503</u>	<u>27,171,503</u>	<u>30,066,333</u>	<u>2,894,830</u>	<u>27,945,861</u>
<b>Licenses and Permits</b>					
Building inspection	840,000	840,000	831,192	(8,808)	790,736
Paving inspection	5,000	5,000	3,131	(1,869)	1,104
Other	13,000	13,000	26,984	13,984	19,430
	<u>858,000</u>	<u>858,000</u>	<u>861,307</u>	<u>3,307</u>	<u>811,270</u>
<b>Intergovernmental</b>					
Grants	413,198	413,198	1,003,936	590,738	3,024,057
	<u>413,198</u>	<u>413,198</u>	<u>1,003,936</u>	<u>590,738</u>	<u>3,024,057</u>
<b>Fines and Fees</b>					
Municipal court	1,117,200	1,117,200	689,366	(427,834)	1,110,342
Library	19,490	19,490	10,639	(8,851)	9,902
	<u>1,136,690</u>	<u>1,136,690</u>	<u>700,005</u>	<u>(436,685)</u>	<u>1,120,244</u>
<b>Charges for Services</b>					
Recreational activity fees	899,300	738,300	504,129	(234,171)	491,416
Aquatic fees	283,600	283,600	339,245	55,645	1,411
Ambulance fees	700,000	700,000	656,930	(43,070)	933,854
Other	-	130,800	119,899	(10,901)	100,947
	<u>1,882,900</u>	<u>1,852,700</u>	<u>1,620,203</u>	<u>(232,497)</u>	<u>1,527,628</u>
<b>Miscellaneous</b>					
Interest income	100,000	100,000	24,337	(75,663)	326,074
Miscellaneous	328,317	328,317	380,361	52,044	342,307
	<u>428,317</u>	<u>428,317</u>	<u>404,698</u>	<u>(23,619)</u>	<u>668,381</u>
	<u>\$ 31,890,608</u>	<u>\$ 31,860,408</u>	<u>\$ 34,656,482</u>	<u>\$ 2,796,074</u>	<u>\$ 35,097,441</u>

**City of Hurst, Texas**  
**Required Supplementary Information**  
**General Fund – Schedule of Revenues, Expenditures, and Changes in Fund**  
**Balance – Budget to Actual – GAAP Basis (Continued)**  
**Year Ended September 30, 2021 with Comparative Actual for Year Ended**  
**September 30, 2020**

	2021				2020
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Expenditures</b>					
<b>General Government</b>					
City Council	\$ 15,366	\$ 15,366	\$ 7,324	\$ 8,042	\$ 9,534
City Secretary	305,239	305,239	292,799	12,440	283,622
Administration (City Manager)	366,730	366,730	389,493	(22,763)	494,101
Judicial (municipal court)	689,102	689,102	603,776	85,326	641,159
Development	490,636	490,636	456,587	34,049	480,056
Personnel	335,727	335,727	348,059	(12,332)	314,501
Accounting (finance)	244,249	244,249	263,276	(19,027)	246,441
Nondepartmental	935,102	935,102	859,228	75,874	1,459,451
Information systems	-	-	11,041	(11,041)	62,438
Building maintenance	462,788	462,788	350,773	112,015	295,386
Total general government	<u>3,844,939</u>	<u>3,844,939</u>	<u>3,582,356</u>	<u>262,583</u>	<u>4,286,689</u>
<b>Public Safety</b>					
Ambulance	1,391,371	1,391,371	1,563,749	(172,378)	1,464,509
Police	9,978,517	9,978,517	9,696,800	281,717	10,058,083
Fire	7,173,071	7,173,071	7,406,312	(233,241)	7,219,739
Total public safety	<u>18,542,959</u>	<u>18,542,959</u>	<u>18,666,861</u>	<u>(123,902)</u>	<u>18,742,331</u>
<b>Culture and Recreation</b>					
Administration	243,125	243,125	256,403	(13,278)	262,905
Recreation	1,358,527	1,358,527	1,136,030	222,497	1,146,696
Aquatics	285,020	285,020	195,013	90,007	73,585
Parks	2,368,129	2,368,129	2,610,784	(242,655)	2,076,108
Library	1,657,297	1,657,297	1,502,607	154,690	1,494,124
Senior citizens	568,101	568,101	485,228	82,873	479,226
Total culture and recreation	<u>6,480,199</u>	<u>6,480,199</u>	<u>6,186,065</u>	<u>294,134</u>	<u>5,532,644</u>
<b>Public Works</b>					
Streets	1,776,857	1,776,857	1,652,691	124,166	1,566,032
Engineering community development	151,214	151,214	146,878	4,336	156,372
Code enforcement	756,139	756,139	654,333	101,806	649,322
Total public works	<u>2,684,210</u>	<u>2,684,210</u>	<u>2,453,902</u>	<u>230,308</u>	<u>2,371,726</u>
<b>Total Expenditures</b>	<u>\$ 31,552,307</u>	<u>\$ 31,552,307</u>	<u>\$ 30,889,184</u>	<u>\$ 663,123</u>	<u>\$ 30,933,390</u>
<b>Excess (Deficiencies) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<u>\$ 338,301</u>	<u>\$ 308,101</u>	<u>\$ 3,767,298</u>	<u>\$ 3,459,197</u>	<u>\$ 4,164,051</u>

**City of Hurst, Texas**  
**Required Supplementary Information**  
**General Fund – Schedule of Revenues, Expenditures, and Changes in Fund**  
**Balance – Budget to Actual – GAAP Basis (Continued)**  
**Year Ended September 30, 2021 with Comparative Actual for Year Ended**  
**September 30, 2020**

	2021				2020
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Other Financing Sources (Uses)</b>					
Transfers in	\$ -	\$ -	\$ 41,675	\$ 41,675	\$ 50,000
Transfers out	-	-	(3,555,423)	(3,555,423)	(3,564,112)
Total other financing uses	-	-	(3,513,748)	(3,513,748)	(3,514,112)
<b>Net Change in Fund Balance</b>	338,301	308,101	253,550	(54,551)	649,939
<b>Fund Balance, Beginning of Year</b>	15,461,083	15,461,083	15,461,083	-	14,811,144
<b>Fund Balance, End of Year</b>	\$ 15,799,384	\$ 15,769,184	\$ 15,714,633	\$ (54,551)	\$ 15,461,083

**City of Hurst, Texas**  
**Required Supplementary Information**  
**Major Special Revenue Funds – Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget to Actual – GAAP Basis**  
**Year Ended September 30, 2021 with Comparative Actual for Year Ended**  
**September 30, 2020**

	Original Budget	Final Budget	HCDC		2020 Actual
			2021 Actual	Variances	
<b>Revenues</b>					
Sales taxes	\$ 4,173,090	\$ 4,173,090	\$ 5,313,250	\$ 1,140,160	\$ 4,816,339
Support from governmental entities	-	-	-	-	-
Interest	19,000	19,000	9,203	(9,797)	72,034
Miscellaneous	-	-	5,033	5,033	5,957
<b>Total revenues</b>	<b>4,192,090</b>	<b>4,192,090</b>	<b>5,327,486</b>	<b>1,135,396</b>	<b>4,894,330</b>
<b>Expenditures</b>					
Public safety	-	-	-	-	-
Culture and recreation	3,041,420	3,137,449	2,897,553	239,896	2,567,797
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	328,848	(328,848)	324,268
<b>Total expenditures</b>	<b>3,041,420</b>	<b>3,137,449</b>	<b>3,226,401</b>	<b>(88,952)</b>	<b>2,892,065</b>
Excess of revenues over expenditures	1,150,670	1,054,641	2,101,085	1,046,444	2,002,265
<b>Other Financing Uses</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(1,229,591)	(1,229,591)	(1,226,940)
<b>Total other financing uses</b>	<b>-</b>	<b>-</b>	<b>(1,229,591)</b>	<b>(1,229,591)</b>	<b>(1,226,940)</b>
<b>Net Change in Fund Balance</b>	<b>1,150,670</b>	<b>1,054,641</b>	<b>871,494</b>	<b>(183,147)</b>	<b>775,325</b>
<b>Fund Balance, Beginning of Year</b>	<b>4,743,252</b>	<b>4,743,252</b>	<b>4,743,252</b>	<b>-</b>	<b>3,967,927</b>
<b>Fund Balance, End of Year</b>	<b>\$ 5,893,922</b>	<b>\$ 5,797,893</b>	<b>\$ 5,614,746</b>	<b>\$ (183,147)</b>	<b>\$ 4,743,252</b>

**City of Hurst, Texas**  
**Required Supplementary Information**  
**Major Special Revenue Funds – Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget to Actual – GAAP Basis (Continued)**  
**Year Ended September 30, 2021 with Comparative Actual for Year Ended**  
**September 30, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Anti-Crime 2021 Actual</b>	<b>Variances</b>	<b>2020 Actual</b>
<b>Revenues</b>					
Sales taxes	\$ 4,337,204	\$ 4,337,204	\$ 5,647,809	\$ 1,310,605	\$ 4,921,887
Support from governmental entities	178,000	178,000	43,977	(134,023)	131,702
Interest	38,500	38,500	15,609	(22,891)	122,298
Miscellaneous	7,411	7,411	15,131	7,720	22,615
<b>Total revenues</b>	<b>4,561,115</b>	<b>4,561,115</b>	<b>5,722,526</b>	<b>1,161,411</b>	<b>5,198,502</b>
<b>Expenditures</b>					
Public safety	5,566,615	5,570,795	4,455,435	1,115,360	4,282,943
Culture and recreation	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	108,874	(108,874)	81,213
<b>Total expenditures</b>	<b>5,566,615</b>	<b>5,570,795</b>	<b>4,564,309</b>	<b>1,006,486</b>	<b>4,364,156</b>
Excess (Deficiencies) of Revenues Over (Under) Expenditures	(1,005,500)	(1,009,680)	1,158,217	2,167,897	834,346
<b>Other Financing Uses</b>					
Transfers in	-	-	-	-	4,282
Transfers out	-	-	(17,850)	(17,850)	(50,000)
<b>Total other financing uses</b>	<b>-</b>	<b>-</b>	<b>(17,850)</b>	<b>(17,850)</b>	<b>(45,718)</b>
<b>Net Change in Fund Balance</b>	<b>(1,005,500)</b>	<b>(1,009,680)</b>	<b>1,140,367</b>	<b>2,150,047</b>	<b>788,628</b>
<b>Fund Balance — Beginning of Year</b>	<b>6,571,399</b>	<b>6,571,399</b>	<b>6,571,399</b>	<b>-</b>	<b>5,782,771</b>
<b>Fund Balance — End of Year</b>	<b>\$ 5,565,899</b>	<b>\$ 5,561,719</b>	<b>\$ 7,711,766</b>	<b>\$ 2,150,047</b>	<b>\$ 6,571,399</b>

## **Combining Statements and Individual Fund Schedules**





# City of Hurst, Texas

## Fund Descriptions

### GENERAL FUND

**The General Fund** – Used to account for all revenues and expenditures not accounted for in other funds.

### NON MAJOR DEBT SERVICE FUNDS

**The Debt Service Fund** – To provide for the payment of general obligation bond principal and interest as they come due. Property tax is required to be computed and levied which will be sufficient to produce the money required to pay principal and interest and fiscal agent fees as they come due.

**The HCDC Debt Service Fund** – To account for the sales tax revenue required to pay principal and interest and fiscal agent fees related to sales tax revenue bonds.

**Hotel/Motel Debt Service Fund** – To account for the hotel/motel tax revenue required to pay principal and interest and fiscal agent fees as they come due related to the construction of the Hurst Conference Center.

### NON MAJOR CAPITAL PROJECTS FUNDS

**Street/Drainage Improvements Fund** – To account for the financing and construction of various street and drainage projects. Financing was provided by general obligation bond proceeds and transfers from the General Fund.

**2007 G.O. Bond Capital Projects Fund** – To account for the financing and construction of voter approved projects. Financing was provided by general obligation bond proceeds.

**2007 C.O. Bond Capital Projects Fund** – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

**2009 C.O. Bond Capital Projects Fund** – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

**2015 C.O. Bond Capital Projects Fund** – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

**2017 Tax Notes Capital Projects Fund** - To account for the financing of a new fire engine.

**2019 C.O. Bond Capital Projects Fund** – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

**Escrow Projects Capital Projects Fund** – To account for the construction of projects that are partially paid through escrow funds. Financing was provided by various sources including developer escrow funds.

# City of Hurst

## Fund Descriptions (Continued)

### INTERNAL SERVICE FUNDS

**The Fleet Service Fund** – Used to account for the acquisition and financing of replacement vehicles of the General Fund and the repair and maintenance of all vehicles. Operations are financed by charges to user departments based on vehicle usage.

**The Loss Reserve Fund** – Used to account for the City’s self-insurance health care program. The program is financed by charges to user departments based on the number of covered employees and dependents.

**The Information Services Fund** – Used to account for the personnel and operating costs of information services and the replacement cost of all computer related equipment. Operations are financed by charges to user departments on a cost-reimbursement basis.

**City of Hurst, Texas**  
**General Fund**  
**Comparative Balance Sheets**  
**September 30, 2021 and 2020**

**Assets**

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ -	\$ 2,737,457
Investments	21,289,987	12,486,384
Taxes receivable	2,178,787	973,040
Court receivables	1,080,421	979,200
Accounts receivable	808,783	1,746,715
Inventories and other	1,883	1,881
Due from other funds	261,298	31,549
Total assets	<b>\$ 25,621,159</b>	<b>\$ 18,956,226</b>

**Liabilities and Fund Balance**

**Liabilities**

Accounts payable and accrued items	\$ 2,955,042	\$ 2,313,411
Escrow deposits payable and unearned revenues	4,863,748	76,733
Due to other funds	611,399	-
Total liabilities	8,430,189	2,390,144

**Deferred Inflows of Resources**

Unavailable revenue	1,476,337	1,104,999
Total deferred inflows of resources	1,476,337	1,104,999

**Fund Balance**

Nonspendable		
Inventory	1,883	1,881
Restricted	6,139,054	5,844,743
Assigned	29,630	29,620
Unassigned	9,544,066	9,584,839
Total fund balance	15,714,633	15,461,083
Total liabilities, deferred inflows and fund balance	<b>\$ 25,621,159</b>	<b>\$ 18,956,226</b>

**City of Hurst, Texas**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**September 30, 2021 with Comparative**  
**Total for September 30, 2020**

	<b>Capital Projects</b>				
	<b>Debt Service</b>	<b>Street/ Drainage Improvements</b>	<b>2007 GO Bond</b>	<b>2007 CO Bond</b>	<b>2009 CO Bond</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 26,649	\$ 89,849	\$ 31,360	\$ 43,128	\$ -
Investments	1,143,300	-	-	-	100,000
Receivables					
Taxes	51,259	-	-	-	-
Other	-	-	-	-	171
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**Capital Projects**

2015 CO Bond	2017 Tax Notes	2019 CO Bonds	Escrow Projects	Totals	
				2021	2020
\$ -	\$ 76	\$ 372,380	\$ 8,635	\$ 572,077	\$ 509,168
2,345,947	-	499,531	-	4,088,778	5,080,580
-	-	-	-	51,259	30,569
1,101	-	-	2,141	3,413	14,246
<u>\$ 2,347,048</u>	<u>\$ 76</u>	<u>\$ 871,911</u>	<u>\$ 10,776</u>	<u>\$ 4,715,527</u>	<u>\$ 5,634,563</u>
\$ 688	\$ -	\$ 174,389	\$ -	\$ 215,039	\$ 338,135
-	-	-	-	29,778	31,549
688	-	174,389	-	244,817	369,684
-	-	-	-	48,228	30,142
-	-	-	-	48,228	30,142
2,346,360	76	697,522	10,776	4,422,482	5,234,737
2,346,360	76	697,522	10,776	4,422,482	5,234,737
<u>\$ 2,347,048</u>	<u>\$ 76</u>	<u>\$ 871,911</u>	<u>\$ 10,776</u>	<u>\$ 4,715,527</u>	<u>\$ 5,634,563</u>

**City of Hurst, Texas**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended September 30, 2021 with Comparative**  
**Total for Year Ended September 30, 2020**

	<b>Capital Projects</b>				
	<b>Debt Service</b>	<b>Street/ Drainage Improvements</b>	<b>2007 GO Bond</b>	<b>2007 CO Bond</b>	<b>2009 CO Bond</b>
<b>Revenues</b>					
Taxes, penalty and interest	\$ 3,951,602	\$ -	\$ -	\$ -	\$ -
Interest	1,010	-	-	-	508
Miscellaneous	-	-	-	-	-
Total revenues	<u>3,952,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>508</u>
<b>Expenditures</b>					
Capital outlay	-	-	9,732	-	-
Debt Service					
Bond principal payments	3,600,000	-	-	-	-
Interest and fiscal charges	1,679,755	-	-	-	-
Bond issuance costs	205,774	-	-	-	-
Total expenditures	<u>5,485,529</u>	<u>-</u>	<u>9,732</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,532,917)</u>	<u>-</u>	<u>(9,732)</u>	<u>-</u>	<u>508</u>
<b>Other Financing Sources (Uses)</b>					
Issuance of debt	-	-	-	-	-
Refunding bonds issued	13,350,000	-	-	-	-
Payment to refunded bonds escrow agent	(13,404,894)	-	-	-	-
Transfers in	1,591,791	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>1,536,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	3,980	-	(9,732)	-	508
<b>Fund Balances, Beginning of Year</b>	<u>1,130,217</u>	<u>89,849</u>	<u>39,913</u>	<u>43,128</u>	<u>69,885</u>
<b>Fund Balances, End of Year</b>	<u>\$ 1,134,197</u>	<u>\$ 89,849</u>	<u>\$ 30,181</u>	<u>\$ 43,128</u>	<u>\$ 70,393</u>

**Capital Projects**

2015 CO Bond	2017 Tax Notes	2019 CO Bond	Escrow Projects	Totals	
				2021	2020
\$ -	\$ -	\$ -	\$ -	\$ 3,951,602	\$ 3,792,724
2,695	-	438	-	4,651	89,869
-	-	-	-	-	2,720
<u>2,695</u>	<u>-</u>	<u>438</u>	<u>-</u>	<u>3,956,253</u>	<u>3,885,313</u>
50,273	-	759,871	-	819,876	1,841,877
-	-	-	-	3,600,000	3,400,000
-	-	-	-	1,679,755	2,055,757
-	-	-	-	205,774	-
<u>50,273</u>	<u>-</u>	<u>759,871</u>	<u>-</u>	<u>6,305,405</u>	<u>7,297,634</u>
<u>(47,578)</u>	<u>-</u>	<u>(759,433)</u>	<u>-</u>	<u>(2,349,152)</u>	<u>(3,412,321)</u>
-	-	-	-	-	575,000
-	-	-	-	13,350,000	-
-	-	-	-	(13,404,894)	-
-	-	-	-	1,591,791	1,591,565
-	-	-	-	-	(25)
-	-	-	-	1,536,897	2,166,540
<u>(47,578)</u>	<u>-</u>	<u>(759,433)</u>	<u>-</u>	<u>(812,255)</u>	<u>(1,245,781)</u>
<u>2,393,938</u>	<u>76</u>	<u>1,456,955</u>	<u>10,776</u>	<u>5,234,737</u>	<u>6,480,518</u>
<u>\$ 2,346,360</u>	<u>\$ 76</u>	<u>\$ 697,522</u>	<u>\$ 10,776</u>	<u>\$ 4,422,482</u>	<u>\$ 5,234,737</u>



**City of Hurst, Texas**  
**Debt Service Funds**  
**Combining Balance Sheet**  
**September 30, 2021 with Comparative**  
**Total for September 30, 2020**

	Debt Service Fund	HCDC Debt Service Fund	Hotel/Motel Debt Service Fund	Totals	
				2021	2020
<b>Assets</b>					
Cash and cash equivalents	\$ 22,491	\$ -	\$ 4,158	\$ 26,649	\$ 26,774
Investments	377,212	766,088	-	1,143,300	1,141,799
Receivables, net					
Taxes	51,259	-	-	51,259	30,569
Total assets	<u>\$ 450,962</u>	<u>\$ 766,088</u>	<u>\$ 4,158</u>	<u>\$ 1,221,208</u>	<u>\$ 1,199,142</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable and accrued items	\$ 12,186	\$ 26,597	\$ -	\$ 38,783	\$ 38,783
Total liabilities	<u>12,186</u>	<u>26,597</u>	<u>-</u>	<u>38,783</u>	<u>38,783</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	48,228	-	-	48,228	30,142
Total deferred inflows of resources	<u>48,228</u>	<u>-</u>	<u>-</u>	<u>48,228</u>	<u>30,142</u>
<b>Restricted Fund Balances</b>	<u>390,548</u>	<u>739,491</u>	<u>4,158</u>	<u>1,134,197</u>	<u>1,130,217</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 450,962</u>	<u>\$ 766,088</u>	<u>\$ 4,158</u>	<u>\$ 1,221,208</u>	<u>\$ 1,199,142</u>

# City of Hurst, Texas

## Debt Service Funds

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Year Ended September 30, 2021 with Comparative Total for Year Ended September 30, 2020

	Debt Service Fund	HCDC Debt Service Fund	Hotel/Motel Debt Service Fund	Totals	
				2021	2020
<b>Revenues</b>					
Taxes, penalty and interest	\$ 3,951,602	\$ -	\$ -	\$ 3,951,602	\$ 3,792,724
Interest	614	389	7	1,010	20,598
Miscellaneous	-	-	-	-	2,720
<b>Total revenues</b>	<b>3,952,216</b>	<b>389</b>	<b>7</b>	<b>3,952,612</b>	<b>3,816,042</b>
<b>Expenditures</b>					
Debt Service					
Principal retirement	2,710,000	705,000	185,000	3,600,000	3,400,000
Interest and fiscal charges	977,973	524,582	177,200	1,679,755	2,055,757
Bond issuance costs	205,774	-	-	205,774	-
<b>Total expenditures</b>	<b>3,893,747</b>	<b>1,229,582</b>	<b>362,200</b>	<b>5,485,529</b>	<b>5,455,757</b>
Excess (deficiency) of revenues over (under) expenditures	58,469	(1,229,193)	(362,193)	(1,532,917)	(1,639,715)
<b>Other Financing Sources (Uses)</b>					
Refunding bonds issued	13,350,000	-	-	13,350,000	-
Payment to bonds escrow agent	(13,404,894)	-	-	(13,404,894)	-
Transfers in	-	1,229,591	362,200	1,591,791	1,591,565
<b>Total other financing resources</b>	<b>(54,894)</b>	<b>1,229,591</b>	<b>362,200</b>	<b>1,536,897</b>	<b>1,591,565</b>
<b>Net Change in Fund Balance</b>	<b>3,575</b>	<b>398</b>	<b>7</b>	<b>3,980</b>	<b>(48,150)</b>
<b>Fund Balances, Beginning of Year</b>	<b>386,973</b>	<b>739,093</b>	<b>4,151</b>	<b>1,130,217</b>	<b>1,178,367</b>
<b>Fund Balances, End of Year</b>	<b>\$ 390,548</b>	<b>\$ 739,491</b>	<b>\$ 4,158</b>	<b>\$ 1,134,197</b>	<b>\$ 1,130,217</b>

**City of Hurst, Texas**  
**Debt Service Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances –**  
**Budget and Actual**  
**Year Ended September 30, 2021 with Comparative**  
**Actual for Year Ended September 30, 2020**

	Debt Service			
	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Taxes, penalty and interest	\$ 4,219,435	\$ 3,951,602	\$ (267,833)	\$ 3,792,724
Interest	10,000	614	(9,386)	11,897
Miscellaneous	-	-	-	2,720
Total revenues	<u>4,229,435</u>	<u>3,952,216</u>	<u>(277,219)</u>	<u>3,807,341</u>
<b>Expenditures</b>				
Principal retirement	2,710,000	2,710,000	-	2,540,000
Interest and fiscal charges	977,973	977,973	-	1,324,625
Bond issuance costs	-	205,774	-	-
Total expenditures	<u>3,687,973</u>	<u>3,893,747</u>	<u>-</u>	<u>3,864,625</u>
Excess (deficiency) of revenues over (under) expenditures	541,462	58,469	(482,993)	(57,284)
<b>Other Financing Sources</b>				
Refunding bonds issued	-	13,350,000	13,350,000	-
Payment to bonds escrow agent	-	(13,404,894)	(13,404,894)	-
Transfers in	-	-	-	25
Total other financing sources	<u>-</u>	<u>(54,894)</u>	<u>(54,894)</u>	<u>25</u>
<b>Revenues and Other Financing Sources (Under) Expenditures</b>	541,462	3,575	(537,887)	(57,259)
<b>Fund Balance, Beginning of Year</b>	<u>386,973</u>	<u>386,973</u>	<u>-</u>	<u>444,232</u>
<b>Fund Balance, End of Year</b>	<u>\$ 928,435</u>	<u>\$ 390,548</u>	<u>\$ (537,887)</u>	<u>\$ 386,973</u>

**City of Hurst, Texas**  
**Debt Service Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances –**  
**Budget and Actual (Continued)**  
**Year Ended September 30, 2021 with Comparative**  
**Actual for Year Ended September 30, 2020**

	HCDC Debt Service			
	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Interest	\$ -	\$ 389	\$ 389	\$ 8,701
Miscellaneous	-	-	-	-
Total revenues	-	389	389	8,701
<b>Expenditures</b>				
Principal retirement	705,000	705,000	-	680,000
Interest and fiscal charges	524,582	524,582	-	546,732
Total expenditures	1,229,582	1,229,582	-	1,226,732
Excess (deficiency) of revenues over (under) expenditures	(1,229,582)	(1,229,193)	389	(1,218,031)
<b>Other Financing Sources</b>				
Transfers in	1,229,591	1,229,591	-	1,226,940
Total other financing sources	1,229,591	1,229,591	-	1,226,940
<b>Revenues and Other Financing Sources Over Expenditures</b>	9	398	389	8,909
<b>Fund Balance, Beginning of Year</b>	739,093	739,093	-	730,184
<b>Fund Balance, End of Year</b>	\$ 739,102	\$ 739,491	\$ 389	\$ 739,093

**City of Hurst, Texas**  
**Debt Service Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances –**  
**Budget and Actual (Continued)**  
**Year Ended September 30, 2021 with Comparative**  
**Actual for Year Ended September 30, 2020**

	Hotel/Motel Debt Service			2020 Actual
	Budget	2021 Actual	Variance	
<b>Revenues</b>				
Interest	\$ -	\$ 7	\$ 7	\$ -
Miscellaneous	-	-	-	-
Total revenues	-	7	7	-
<b>Expenditures</b>				
Principal retirement	185,000	185,000	-	180,000
Interest and fiscal charges	177,200	177,200	-	184,400
Total expenditures	362,200	362,200	-	364,400
Excess (deficiency) of revenues over (under) expenditures	(362,200)	(362,193)	7	(364,400)
<b>Other Financing Sources</b>				
Refunding bonds issued	-	-	-	-
Premium on bond issuance	-	-	-	-
Payment to bonds escrow agent	-	-	-	-
Transfers in	362,200	362,200	-	364,600
Total other financing sources	362,200	362,200	-	364,600
<b>Revenues and Other Financing Sources Over Expenditures</b>	-	7	7	200
<b>Fund Balance, Beginning of Year</b>	4,151	4,151	-	3,951
<b>Fund Balance, End of Year</b>	<u>\$ 4,151</u>	<u>\$ 4,158</u>	<u>\$ 7</u>	<u>\$ 4,151</u>

**City of Hurst, Texas**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**September 30, 2021 with Comparative**  
**Total for September 30, 2020**

	Fleet Service	Loss Reserve	Information Services	Totals	
				2021	2020
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 83,329	\$ 1,649,386	\$ 807,294	\$ 2,540,009	\$ 1,346,331
Investments	4,924,271	2,672,295	3,598,739	11,195,305	10,739,523
Inventory of supplies, at cost	47,477	-	-	47,477	39,756
Other receivables	15,247	15,495	5,158	35,900	62,148
Prepaid expenses	-	165,000	-	165,000	165,000
Total current assets	<u>5,070,324</u>	<u>4,502,176</u>	<u>4,411,191</u>	<u>13,983,691</u>	<u>12,352,758</u>
<b>Property and Equipment, at Cost</b>					
Improvements other than buildings	433,451	-	-	433,451	433,451
Machinery and equipment	6,449,858	-	6,386,340	12,836,198	12,926,688
Construction in progress	182,676	-	47,775	230,451	483,979
Accumulated depreciation	(6,031,812)	-	(5,385,989)	(11,417,801)	(11,302,467)
Total property and equipment	<u>1,034,173</u>	<u>-</u>	<u>1,048,126</u>	<u>2,082,299</u>	<u>2,541,651</u>
Total assets	<u>6,104,497</u>	<u>4,502,176</u>	<u>5,459,317</u>	<u>16,065,990</u>	<u>14,894,409</u>
<b>Deferred Outflows of Resources</b>					
Deferred pension outflows	28,918	-	45,442	74,360	87,347
Deferred OPEB outflows	42,563	-	50,951	93,514	63,648
Total deferred outflows	<u>71,481</u>	<u>-</u>	<u>96,393</u>	<u>167,874</u>	<u>150,995</u>
Total assets and deferred outflows	<u>\$ 6,175,978</u>	<u>\$ 4,502,176</u>	<u>\$ 5,555,710</u>	<u>\$ 16,233,864</u>	<u>\$ 15,045,404</u>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued items	\$ 38,767	\$ 341,530	\$ 53,750	\$ 434,047	\$ 440,222
Current portion of net OPEB liability	9,993	-	11,962	21,955	20,712
Current portion of compensated absences	13,431	-	15,782	29,213	25,192
Total current liabilities	<u>62,191</u>	<u>341,530</u>	<u>81,494</u>	<u>485,215</u>	<u>486,126</u>
<b>Noncurrent Liabilities</b>					
Net pension liability	170,530	-	267,976	438,506	468,579
Net OPEB liability, net of current portion	189,868	-	227,288	417,156	393,521
Compensated absences	24,942	-	29,310	54,252	46,786
Total liabilities	<u>447,531</u>	<u>341,530</u>	<u>606,068</u>	<u>1,395,129</u>	<u>1,395,012</u>
<b>Deferred Inflows of Resources</b>					
Deferred pension inflows	52,259	-	82,121	134,380	139,599
Deferred OPEB inflows	41,635	-	49,841	91,476	100,733
Total deferred inflows	<u>93,894</u>	<u>-</u>	<u>131,962</u>	<u>225,856</u>	<u>240,332</u>
<b>Net Position</b>					
Net investment in capital assets	1,034,173	-	1,048,126	2,082,299	2,541,651
Unrestricted	4,600,380	4,160,646	3,769,554	12,530,580	10,868,409
Total net position	<u>5,634,553</u>	<u>4,160,646</u>	<u>4,817,680</u>	<u>14,612,879</u>	<u>13,410,060</u>
Total liabilities, deferred inflows, and net position	<u>\$ 6,175,978</u>	<u>\$ 4,502,176</u>	<u>\$ 5,555,710</u>	<u>\$ 16,233,864</u>	<u>\$ 15,045,404</u>

**City of Hurst, Texas**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**September 30, 2021 with Comparative**  
**Total for September 30, 2020**

	Fleet Service	Loss Reserve	Information Services	Totals	
				2021	2020
<b>Operating Revenues</b>					
Service fees	\$ 1,803,790	\$ 6,375,999	\$ 1,964,669	\$ 10,144,458	\$ 9,860,122
Other	2,962	91,585	2,930	97,477	72,831
Total operating revenues	1,806,752	6,467,584	1,967,599	10,241,935	9,932,953
<b>Operating Expenses</b>					
Personnel services	390,059	6,630,656	588,034	7,608,749	7,573,364
Contractual services	-	-	215,901	215,901	192,034
Repairs and maintenance	34,070	-	504,972	539,042	558,660
Materials and supplies	713,929	-	397,239	1,111,168	1,069,054
Depreciation and amortization	347,998	-	247,259	595,257	720,373
Total operating expenses	1,486,056	6,630,656	1,953,405	10,070,117	10,113,485
Operating income (loss)	320,696	(163,072)	14,194	171,818	(180,532)
<b>Non-operating Revenues (Expenses)</b>					
Interest	13,148	7,783	12,087	33,018	184,442
Interest expense and fiscal charges	-	-	-	-	(27,263)
Gain on sale of property and equipment	153,750	-	-	153,750	-
Total nonoperating revenues (expenses)	166,898	7,783	12,087	186,768	157,179
Income (loss) before contributions and transfers	487,594	(155,289)	26,281	358,586	(23,353)
Transfers In	-	347,401	500,000	847,401	352,512
Transfers Out	-	-	(3,168)	(3,168)	-
Change in Net Position	487,594	192,112	523,113	1,202,819	329,159
Net Position, Beginning of Year	5,146,959	3,968,534	4,294,567	13,410,060	13,080,901
Net Position, End of Year	\$ 5,634,553	\$ 4,160,646	\$ 4,817,680	\$ 14,612,879	\$ 13,410,060

**City of Hurst, Texas**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year Ended September 30, 2021 with Comparative**  
**Total for Year Ended September 30, 2020**

	Fleet Service	Loss Reserve	Information Services	Totals	
				2021	2020
<b>Cash Flows from Operating Activities</b>					
Receipts from customers and users	\$ 22,846	\$ 91,585	\$ 2,930	\$ 117,361	\$ 67,495
Receipts from interfund services provided	1,803,790	6,375,999	1,964,669	10,144,458	9,860,122
Payments on behalf of suppliers	(761,178)	(25,604)	(1,117,023)	(1,903,805)	(2,202,403)
Payments on behalf of employees	(398,977)	(6,606,858)	(604,179)	(7,610,014)	(7,481,383)
Net cash provided by (used in) operating activities	666,481	(164,878)	246,397	748,000	243,831
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers to other funds	-	-	(3,168)	(3,168)	-
Transfers from other funds	-	347,401	500,000	847,401	352,512
Net cash provided by noncapital financing activities	-	347,401	496,832	844,233	352,512
<b>Cash Flows from Capital and Related Financing Activities</b>					
Interest payments	-	-	-	-	(27,263)
Purchases of property and equipment	(135,903)	-	-	(135,903)	(800,812)
Proceeds from sale of property and equipment	153,750	-	-	153,750	-
Net cash provided by (used in) capital and related financing activities	17,847	-	-	17,847	(828,075)
<b>Cash Flows from Investing Activities</b>					
Proceeds from sale/maturity of investments	3,339,937	3,011,559	2,802,765	9,154,261	8,846,764
Purchase of investments	(4,004,450)	(2,505,988)	(3,099,605)	(9,610,043)	(9,969,593)
Interest received on investments	13,148	2,593	23,639	39,380	187,584
Net cash provided by (used in) investing activities	(651,365)	508,164	(273,201)	(416,402)	(935,245)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	32,963	690,687	470,028	1,193,678	(1,166,977)
<b>Cash and Cash Equivalents, Beginning of Year</b>	50,366	958,699	337,266	1,346,331	2,513,308
<b>Cash and Cash Equivalents, End of Year</b>	\$ 83,329	\$ 1,649,386	\$ 807,294	\$ 2,540,009	\$ 1,346,331
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities</b>					
Operating income (loss)	\$ 320,696	\$ (163,072)	\$ 14,194	\$ 171,818	\$ (180,532)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	347,998	-	247,259	595,257	720,373
Change in assets and deferred outflows:					
Other receivables	19,884	-	-	19,884	(5,336)
Inventory of supplies	(7,721)	-	-	(7,721)	(685)
Deferred pension outflows	5,050	-	7,937	12,987	200,568
Deferred OPEB outflows	(13,594)	-	(16,272)	(29,866)	(862)
Change in liabilities and deferred inflows:					
Accounts payable and other liabilities	783	(1,806)	6,335	5,312	(346,094)
Net pension liability	(11,695)	-	(18,378)	(30,073)	(258,393)
Net OPEB liability	11,323	-	13,555	24,878	(98,618)
Deferred pension inflows	(2,030)	-	(3,189)	(5,219)	120,106
Deferred OPEB inflows	(4,213)	-	(5,044)	(9,257)	93,304
<b>Net Cash Provided by (Used In) Operating Activities</b>	\$ 666,481	\$ (164,878)	\$ 246,397	\$ 748,000	\$ 243,831





**Statistical Section (Unaudited)**



# City of Hurst, Texas

## Table Descriptions

This part of the City of Hurst’s annual comprehensive 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.

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<p><b>Financial Trends</b>            These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</p>	<b>89-93</b>
<p><b>Revenue Capacity</b>            These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property and sales taxes.</p>	<b>94-101</b>
<p><b>Debt Capacity</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.</p>	<b>102-106</b>
<p><b>Demographic and Economic Information</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.</p>	<b>107-108</b>
<p><b>Operating Information</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.</p>	<b>109-111</b>

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

**City of Hurst, Texas**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ended			
	2012	2013	2014	2015
<b>Governmental activities</b>				
Net investment in capital assets	\$ 121,727,955	\$ 121,033,272	\$ 117,648,033	\$ 120,518,416
Restricted	19,694,881	18,778,425	25,403,597	21,707,954
Unrestricted	<u>31,841,636</u>	<u>31,971,587</u>	<u>28,731,273</u>	<u>23,104,601</u>
Total governmental activities net position	<u>\$ 173,264,472</u>	<u>\$ 171,783,284</u>	<u>\$ 171,782,903</u>	<u>\$ 165,330,971</u>
<b>Business-type Activities</b>				
Net investment in capital assets	\$ 27,973,330	\$ 32,065,030	\$ 32,606,567	\$ 33,786,264
Restricted	7,231,573	8,680,903	10,031,203	11,358,914
Unrestricted	<u>10,649,487</u>	<u>7,565,755</u>	<u>6,500,430</u>	<u>3,816,191</u>
Total business-type activities net position	<u>\$ 45,854,390</u>	<u>\$ 48,311,688</u>	<u>\$ 49,138,200</u>	<u>\$ 48,961,369</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 149,701,285	\$ 153,098,302	\$ 150,254,600	\$ 154,304,680
Restricted	26,926,454	27,459,328	35,434,800	33,066,868
Unrestricted	<u>42,491,123</u>	<u>39,537,342</u>	<u>35,231,703</u>	<u>26,920,792</u>
Total primary government net position	<u>\$ 219,118,862</u>	<u>\$ 220,094,972</u>	<u>\$ 220,921,103</u>	<u>\$ 214,292,340</u>

**Notes:** Beginning amounts for 2018 were restated as per GASB 75.

**Table A-1**

Fiscal Year Ended					
2016	2017	2018 (a)	2019	2020	2021
\$ 116,996,558	\$ 114,347,361	\$ 113,020,392	\$ 111,980,392	\$ 109,339,694	\$ 107,239,312
24,767,252	16,117,137	16,581,980	15,961,153	19,240,287	21,240,054
16,858,946	23,931,997	9,991,473	7,530,751	7,676,690	12,937,321
<u>\$ 158,622,756</u>	<u>\$ 154,396,495</u>	<u>\$ 139,593,845</u>	<u>\$ 135,472,296</u>	<u>\$ 136,256,671</u>	<u>\$ 141,416,687</u>
\$ 36,190,346	\$ 38,973,677	\$ 40,834,276	\$ 41,683,200	\$ 42,263,651	\$ 41,558,248
12,911,394	-	-	-	-	-
468,067	12,949,090	10,738,394	10,025,806	10,367,091	13,555,313
<u>\$ 49,569,807</u>	<u>\$ 51,922,767</u>	<u>\$ 51,572,670</u>	<u>\$ 51,709,006</u>	<u>\$ 52,630,742</u>	<u>\$ 55,113,561</u>
\$ 153,186,904	\$ 153,321,038	\$ 153,854,668	\$ 153,663,592	\$ 151,603,345	\$ 148,797,560
37,678,646	16,117,137	16,581,980	15,961,153	19,240,287	21,240,054
17,327,013	36,881,087	20,729,867	17,556,557	18,043,781	26,492,634
<u>\$ 208,192,563</u>	<u>\$ 206,319,262</u>	<u>\$ 191,166,515</u>	<u>\$ 187,181,302</u>	<u>\$ 188,887,413</u>	<u>\$ 196,530,248</u>

**City of Hurst, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year			
	2012	2013	2014	2015
<b>Expenses</b>				
Governmental activities				
General government	\$ 3,126,927	\$ 4,230,124	\$ 4,337,097	\$ 5,256,773
Public safety	20,466,809	21,410,618	21,306,312	23,039,603
Culture and recreation	10,304,959	10,890,525	10,845,533	11,142,994
Public works	4,592,603	4,873,864	4,655,157	4,756,586
Interest expense	1,707,178	2,099,507	1,980,775	2,146,970
	<u>40,198,476</u>	<u>43,504,638</u>	<u>43,124,874</u>	<u>46,342,926</u>
Total governmental activities expenses				
Business-type activities				
Water and sewer	17,502,966	18,163,625	18,757,469	19,752,412
Stormwater management services	610,975	653,428	730,385	689,554
Conference and meeting center	1,850,420	2,118,967	2,024,417	2,004,236
Hurst Public Facility Corporation	-	-	-	-
	<u>19,964,361</u>	<u>20,936,020</u>	<u>21,512,271</u>	<u>22,446,202</u>
Total business-type activities expenses				
Total primary government expenses	<u>\$ 60,162,837</u>	<u>\$ 64,440,658</u>	<u>\$ 64,637,145</u>	<u>\$ 68,789,128</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 11,140	\$ 14,015	\$ 14,900	\$ 22,670
Public safety	2,877,874	3,520,712	3,150,918	3,278,888
Culture and recreation	1,226,934	1,151,018	1,144,472	1,004,909
Public works	629,575	655,304	657,700	630,248
Operating grants and contributions	1,550,145	844,446	669,691	738,969
Capital grants and contributions	435,849	78,548	78,875	28,803
	<u>6,731,517</u>	<u>6,264,043</u>	<u>5,716,556</u>	<u>5,704,487</u>
Total governmental activities program revenues				
Business-type activities				
Charges for services				
Water and sewer services	19,232,852	19,814,150	19,031,909	19,609,118
Stormwater management services	1,076,413	1,081,300	1,086,935	1,094,476
Hurst Public Facility Corporation	-	-	-	-
Conference and meeting center	1,675,759	2,031,709	2,003,045	1,927,152
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	616,666	114,148	680,309
	<u>21,985,024</u>	<u>23,543,825</u>	<u>22,236,037</u>	<u>23,311,055</u>
Total business-type activities program revenues				
Total primary government program revenues	<u>\$ 28,716,541</u>	<u>\$ 29,807,868</u>	<u>\$ 27,952,593</u>	<u>\$ 29,015,542</u>

**Table A-2**

		Fiscal Year									
		2016	2017	2018	2019	2020	2021				
\$	8,168,344	\$	5,503,950	\$	8,330,340	\$	8,148,665	\$	6,919,302	\$	4,958,838
	24,614,274		26,946,144		25,445,464		27,277,634		25,752,945		24,389,940
	12,112,717		12,554,825		12,836,977		12,386,690		10,637,396		11,383,530
	5,174,276		4,928,786		3,869,464		5,085,774		4,929,958		4,116,324
	2,328,484		1,888,355		2,042,840		1,711,724		1,135,394		1,724,654
	<u>52,398,095</u>		<u>51,822,060</u>		<u>52,525,085</u>		<u>54,610,487</u>		<u>49,374,995</u>		<u>46,573,286</u>
	20,384,872		20,090,660		20,542,607		21,842,377		21,415,506		19,737,759
	879,123		1,015,099		936,108		950,588		911,776		932,360
	2,362,568		2,654,063		2,777,085		3,608,240		2,151,646		1,877,996
	-		-		-		-		-		6,189
	<u>23,626,563</u>		<u>23,759,822</u>		<u>24,255,800</u>		<u>26,401,205</u>		<u>24,478,928</u>		<u>22,554,304</u>
\$	<u>76,024,658</u>	\$	<u>75,581,882</u>	\$	<u>76,780,885</u>	\$	<u>81,011,692</u>	\$	<u>73,853,923</u>	\$	<u>69,127,590</u>
\$	18,470	\$	19,165	\$	135,242	\$	159,535	\$	131,383	\$	422,983
	3,551,541		3,229,547		2,894,515		2,597,631		2,024,041		1,449,576
	1,156,952		1,244,593		1,256,034		1,290,885		492,827		843,374
	682,420		780,953		802,568		1,058,007		790,736		831,192
	862,969		1,613,979		1,960,737		1,504,425		3,270,198		1,889,171
	218,830		265,990		111,051		116,567		-		-
	<u>6,491,182</u>		<u>7,154,227</u>		<u>7,160,147</u>		<u>6,727,050</u>		<u>6,709,185</u>		<u>5,436,296</u>
	19,892,629		21,183,069		22,394,948		21,229,151		21,779,611		21,575,460
	1,098,287		1,375,194		1,104,982		1,137,792		1,102,664		1,106,028
	-		-		-		-		-		200,991
	2,553,445		2,811,704		3,147,745		3,269,784		1,804,763		1,783,144
	44,622		10,931		5,947		-		-		-
	693,753		811,985		179,560		629,288		466,764		404,716
	<u>24,282,736</u>		<u>26,192,883</u>		<u>26,833,182</u>		<u>26,266,015</u>		<u>25,153,802</u>		<u>25,070,339</u>
\$	<u>30,773,918</u>	\$	<u>33,347,110</u>	\$	<u>33,993,329</u>	\$	<u>32,993,065</u>	\$	<u>31,862,987</u>	\$	<u>30,506,635</u>



**City of Hurst, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years (Continued)**  
*(accrual basis of accounting)*

	Fiscal Year			
	2012	2013	2014	2015
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (33,466,959)	\$ (37,240,595)	\$ (37,408,318)	\$ (40,638,439)
Business-type activities	2,020,663	2,607,805	723,766	864,853
 Total primary government net expense	<u>\$ (31,446,296)</u>	<u>\$ (34,632,790)</u>	<u>\$ (36,684,552)</u>	<u>\$ (39,773,586)</u>
 <b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Taxes				
Property taxes, penalty and interest	\$ 12,393,133	\$ 13,191,743	\$ 13,545,880	\$ 14,087,316
Sales taxes	18,502,765	18,419,603	19,376,108	20,716,458
Franchise taxes	2,965,411	2,953,568	3,088,049	3,038,771
Occupancy taxes	589,551	593,921	565,970	646,284
Interest	417,154	396,545	318,888	275,954
Miscellaneous	800,643	784,102	513,042	1,172,033
Transfers	(512,570)	38,331	-	76,667
 Total governmental activities	<u>\$ 35,156,087</u>	<u>\$ 36,377,813</u>	<u>\$ 37,407,937</u>	<u>\$ 40,013,483</u>
 Business-type activities				
Interest	\$ 141,843	\$ 117,280	\$ 102,566	\$ 104,120
Miscellaneous	123,959	-	-	-
Transfers	512,570	(38,331)	-	(76,667)
 Total business-type activities	<u>778,372</u>	<u>78,949</u>	<u>102,566</u>	<u>27,453</u>
 Total primary government	<u>\$ 35,934,459</u>	<u>\$ 36,456,762</u>	<u>\$ 37,510,503</u>	<u>\$ 40,040,936</u>
 <b>Change in Net Position</b>				
Governmental activities	\$ 1,689,128	\$ (862,782)	\$ (381)	\$ (624,956)
Business-type activities	2,799,035	2,686,754	826,332	892,306
 Total primary government	<u>\$ 4,488,163</u>	<u>\$ 1,823,972</u>	<u>\$ 825,951</u>	<u>\$ 267,350</u>

**Table A-2**

<b>Fiscal Year</b>					
<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ (45,906,913)	\$ (44,667,833)	\$ (45,364,938)	\$ (47,883,437)	\$ (42,665,810)	\$ (41,136,990)
656,173	2,433,061	2,577,382	(135,190)	674,874	2,516,035
<u>\$ (45,250,740)</u>	<u>\$ (42,234,772)</u>	<u>\$ (42,787,556)</u>	<u>\$ (48,018,627)</u>	<u>\$ (41,990,936)</u>	<u>\$ (38,620,955)</u>
\$ 13,982,919	\$ 14,814,146	\$ 15,383,521	\$ 16,292,473	\$ 18,389,781	\$ 19,906,761
20,685,644	20,043,791	20,935,157	20,661,292	19,777,236	21,994,035
2,967,123	2,961,774	2,975,917	2,935,945	2,669,328	2,563,184
716,281	705,786	768,618	905,677	660,845	613,169
385,477	430,170	799,902	1,539,049	1,160,273	136,883
280,870	1,251,454	1,245,930	1,189,108	692,722	983,535
180,384	234,451	225,000	238,344	100,000	99,439
<u>\$ 39,198,698</u>	<u>\$ 40,441,572</u>	<u>\$ 42,334,045</u>	<u>\$ 43,761,888</u>	<u>\$ 43,450,185</u>	<u>\$ 46,297,006</u>
\$ 132,649	\$ 154,350	\$ 249,592	\$ 509,870	\$ 346,862	\$ 66,223
-	-	-	-	-	-
(180,384)	(234,451)	(225,000)	(238,344)	(100,000)	(99,439)
<u>(47,735)</u>	<u>(80,101)</u>	<u>24,592</u>	<u>271,526</u>	<u>246,862</u>	<u>(33,216)</u>
<u>\$ 39,150,963</u>	<u>\$ 40,361,471</u>	<u>\$ 42,358,637</u>	<u>\$ 44,033,414</u>	<u>\$ 43,697,047</u>	<u>\$ 46,263,790</u>
\$ (6,708,215)	\$ (4,226,261)	(3,030,893)	(4,121,549)	784,375	5,160,016
608,438	2,352,960	2,601,974	136,336	921,736	2,482,819
<u>\$ (6,099,777)</u>	<u>\$ (1,873,301)</u>	<u>\$ (428,919)</u>	<u>\$ (3,985,213)</u>	<u>\$ 1,706,111</u>	<u>\$ 7,642,835</u>

**City of Hurst, Texas**  
**Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years (Continued)**  
*(accrual basis of accounting)*

	<b>Fiscal Year</b>			
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>General Fund</b>				
Nonspendable	\$ 1,883	\$ 1,883	\$ 1,883	\$ 1,883
Restricted	1,601,639	1,637,359	1,854,120	2,344,861
Committed	335,771	255,713	198,349	305,069
Assigned	653,976	519,597	560,867	586,595
Unassigned	<u>7,452,789</u>	<u>7,616,609</u>	<u>8,389,715</u>	<u>9,049,255</u>
Total general fund	<u>\$ 10,046,058</u>	<u>\$ 10,031,161</u>	<u>\$ 11,004,934</u>	<u>\$ 12,287,663</u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	34,575,812	28,314,389	24,936,284	19,363,093
Committed	-	-	-	-
Assigned	<u>19,607,928</u>	<u>21,302,952</u>	<u>22,228,199</u>	<u>18,697,454</u>
Total all other governmental funds	<u>\$ 54,183,740</u>	<u>\$ 49,617,341</u>	<u>\$ 47,164,483</u>	<u>\$ 38,060,547</u>

**Table A-3**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 1,883	\$ 1,883	\$ 2,401	\$ 1,883	\$ 1,881	\$ 1,883
3,104,302	4,086,043	5,446,104	5,083,249	5,844,743	6,139,054
365,042	-	-	-	-	-
581,219	568,555	18,254	23,575	29,620	29,630
9,172,096	9,162,496	8,989,839	9,702,437	9,584,839	9,544,066
<u>\$ 13,224,542</u>	<u>\$ 13,818,977</u>	<u>\$ 14,456,598</u>	<u>\$ 14,811,144</u>	<u>\$ 15,461,083</u>	<u>\$ 15,714,633</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21,662,950	14,851,969	14,292,760	23,756,410	21,575,718	18,318,313
-	-	-	-	-	-
17,066,513	18,295,467	18,887,440	17,682,803	19,946,306	22,251,573
<u>\$ 38,729,463</u>	<u>\$ 33,147,436</u>	<u>\$ 33,180,200</u>	<u>\$ 41,439,213</u>	<u>\$ 41,522,024</u>	<u>\$ 40,569,886</u>

**City of Hurst, Texas**  
**Changes in Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year			
	2012	2013	2014	2015
<b>Revenues</b>				
Taxes	\$ 34,492,773	\$ 35,218,498	\$ 36,605,578	\$ 38,494,929
Licenses/permits	664,545	713,052	725,334	707,089
Support from governmental entities	1,977,424	921,963	745,240	767,772
Charges for services	1,836,085	2,003,246	1,893,181	1,699,806
Fines and fees	2,460,599	2,631,489	2,520,998	2,405,478
Interest	495,265	384,411	261,494	218,049
Miscellaneous	1,239,389	583,476	507,367	1,068,886
<b>Total revenues</b>	<b>43,166,080</b>	<b>42,456,135</b>	<b>43,259,192</b>	<b>45,362,009</b>
<b>Expenditures</b>				
General government	2,205,316	2,164,066	2,315,113	2,976,887
Public safety	19,206,211	19,999,125	20,214,409	20,798,447
Culture and recreation	8,346,440	8,685,188	8,434,981	8,436,777
Public works	1,513,196	1,753,187	1,540,946	1,754,088
Capital outlay	4,253,081	8,128,080	14,132,822	15,866,943
Debt service				
Principal	3,112,129	3,218,161	3,327,924	3,459,807
Interest	1,857,766	2,162,350	2,089,622	2,206,311
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>40,494,139</b>	<b>46,110,157</b>	<b>52,055,817</b>	<b>55,499,260</b>
Excess of revenues over (under) expenditures	2,671,941	(3,654,022)	(8,796,625)	(10,137,251)
<b>Other Financing Sources (Uses)</b>				
Capital lease	-	-	-	490,105
Proceeds from borrowing	15,565,000	-	7,355,000	2,625,000
Proceeds from refunding	1,810,000	-	5,705,000	3,235,000
Premium on bond issuance	1,355,339	-	603,685	574,285
Payments to escrow agent	(1,996,858)	-	(5,984,367)	(3,505,346)
Transfers in	4,382,005	4,118,286	4,084,294	3,475,606
Transfers out	(5,113,917)	(5,045,560)	(4,446,072)	(4,578,606)
<b>Total other financing sources (uses)</b>	<b>16,001,569</b>	<b>(927,274)</b>	<b>7,317,540</b>	<b>2,316,044</b>
<b>Net Change in Fund Balances</b>	<b>\$ 18,673,510</b>	<b>\$ (4,581,296)</b>	<b>\$ (1,479,085)</b>	<b>\$ (7,821,207)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>15.89%</b>	<b>16.50%</b>	<b>16.67%</b>	<b>16.68%</b>

**Table A-4**

	Fiscal Year					
	2016	2017	2018	2019	2020	2021
\$	38,414,972	\$ 38,900,450	\$ 40,069,713	\$ 40,797,443	\$ 41,476,811	\$ 44,978,994
	782,782	878,517	825,525	1,091,085	811,270	861,307
	874,576	1,613,979	1,960,737	1,504,425	3,270,198	1,889,171
	2,035,396	2,065,177	2,126,300	2,319,048	1,527,628	6,925,652
	2,448,040	2,436,813	2,516,568	1,498,576	1,120,244	700,005
	313,953	412,492	774,577	1,290,490	975,831	103,865
	543,025	1,195,603	1,056,666	1,081,968	619,891	732,308
	<u>45,412,744</u>	<u>47,503,031</u>	<u>49,330,086</u>	<u>49,583,035</u>	<u>49,801,873</u>	<u>56,191,302</u>
	3,268,525	3,664,549	3,472,880	4,380,033	4,722,080	6,394,535
	21,506,049	23,618,438	23,423,951	23,808,440	23,035,269	24,703,321
	9,344,037	9,950,204	10,078,424	9,893,956	8,100,441	9,413,588
	2,095,586	2,109,784	2,036,102	2,317,724	2,371,726	3,410,230
	6,787,480	8,313,541	4,132,380	3,762,850	5,706,338	6,682,999
	3,134,902	3,466,724	3,428,872	3,065,000	3,400,000	3,600,000
	2,287,885	2,119,020	1,961,100	1,855,604	2,055,757	1,679,755
	-	-	-	-	-	205,774
	<u>48,424,464</u>	<u>53,242,260</u>	<u>48,533,709</u>	<u>49,083,607</u>	<u>49,391,611</u>	<u>56,090,202</u>
	(3,011,720)	(5,739,229)	796,377	499,428	410,262	101,100
	-	-	-	-	-	-
	4,905,000	1,180,000	-	9,175,000	575,000	-
	11,240,000	1,500,000	-	-	-	13,350,000
	1,931,800	-	-	453,618	-	-
	(12,517,062)	(1,478,363)	-	-	-	(13,404,894)
	3,414,597	3,395,882	3,790,919	3,552,517	4,588,565	4,099,745
	(4,356,820)	(3,845,882)	(3,916,911)	(5,067,004)	(4,841,077)	(4,844,539)
	<u>4,617,515</u>	<u>751,637</u>	<u>(125,992)</u>	<u>8,114,131</u>	<u>322,488</u>	<u>(799,688)</u>
\$	<u>1,605,795</u>	<u>\$ (4,987,592)</u>	<u>\$ 670,385</u>	<u>\$ 8,613,559</u>	<u>\$ 732,750</u>	<u>\$ (698,588)</u>
	<u>14.97%</u>	<u>14.20%</u>	<u>13.82%</u>	<u>12.18%</u>	<u>14.27%</u>	<u>10.78%</u>

**City of Hurst, Texas**  
**Tax Revenues by Source**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

**Table A-5**

<b>Fiscal Year</b>	<b>Property</b>	<b>Sales/ Occupancy</b>	<b>Mixed Beverage</b>	<b>Franchise</b>	<b>Total</b>
2012	12,435,046	18,996,433	95,883	2,965,411	34,492,773
2013	13,251,406	18,921,380	92,144	2,953,568	35,218,498
2014	13,575,451	19,823,691	118,387	3,088,049	36,605,578
2015	14,093,416	21,219,368	143,374	3,038,771	38,494,929
2016	14,045,924	21,262,957	138,968	2,967,123	38,414,972
2017	15,189,099	20,613,996	135,581	2,961,774	38,900,450
2018	16,158,639	20,598,410	148,603	2,975,917	39,881,569
2019	17,200,207	20,505,778	155,513	2,935,945	40,797,443
2020	19,051,715	19,651,638	125,599	2,669,327	41,498,278
2021	20,408,258	21,862,706	131,331	2,563,183	44,965,477

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

**Table B-1**

<b>Fiscal Year Ended 30-Sep</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Appraised Value</b>	<b>Tax-Exempt Property</b>	<b>Total Direct Tax Rate</b>
2012	1,572,194	932,314	31,484	2,535,992	244,648	0.578
2013	1,581,124	947,359	42,682	2,571,165	248,574	0.608
2014	1,607,262	988,250	36,291	2,631,803	246,939	0.608
2015	1,685,063	1,034,091	40,550	2,759,704	251,249	0.606
2016	1,587,424	975,963	34,254	2,597,641	238,300	0.611
2017	1,745,042	1,144,598	37,283	2,926,923	298,859	0.588
2018	1,867,873	1,249,125	44,304	3,161,302	368,576	0.581
2019	2,116,580	1,360,984	43,893	3,521,457	324,355	0.580
2020	2,333,240	1,461,170	51,466	3,845,876	298,320	0.597
2021	2,324,192	1,447,024	51,848	3,823,064	335,010	0.625

**Source:** Tarrant County Appraisal District.

**Note:** Assessed value is 100% of actual value.



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

**Table B-2**

Fiscal Year	City Direct Rates			Overlapping Rates <sup>a</sup>			
	Basic Rate	General Debt Service	Total Direct Rate	HEB School District	Tarrant County	Hospital	Tarrant County College
2012	0.445369	0.132631	0.578	1.41400	0.26400	0.22790	0.14897
2013	0.445369	0.163128	0.608	1.40750	0.26400	0.22790	0.14897
2014	0.445369	0.163128	0.608	1.38750	0.26400	0.22790	0.14950
2015	0.460829	0.145171	0.606	1.37500	0.26400	0.22790	0.14950
2016	0.474277	0.136284	0.611	1.35000	0.26400	0.22790	0.14950
2017	0.461648	0.126252	0.588	1.31600	0.25400	0.22790	0.14473
2018	0.465042	0.115898	0.581	1.26300	0.24400	0.22443	0.14006
2019	0.471551	0.108449	0.580	1.27300	0.23400	0.22443	0.13607
2020	0.478236	0.119063	0.597	1.22000	0.23400	0.22443	0.13017
2021	0.504186	0.120973	0.625	1.19800	0.23400	0.22443	0.13017

**Source:** Tarrant County Appraisal District.

**Notes:** The City’s basic property tax rate must be set according to the State of Texas’ Truth-in-Taxation and other applicable laws. Truth-in-Taxation requires a No-New-Revenue and Voter-Approval tax rate calculation to be performed and under certain conditions the rates must be published locally. If the City Council proposes a tax rate above the Voter-Approval rate (the No-New Revenue M&O rate times 1.035 plus the Debt Service rate plus the three-year rolling sum of the difference between the City’s adopted rate and the Voter-Approval rate), then the City must hold an election to approve the proposed rate. Rates for debt service are not subject to election and are set based on each year’s requirements. The State of Texas does limit the City’s overall tax rate to \$2.50 per \$100 valuation while the City’s Charter limits the overall tax rate to \$1.50 per \$100 valuation.

<sup>a</sup> Overlapping rates are those of local and county governments that apply to property owners within the City of Hurst. Not all overlapping rates apply to all Hurst property owners. In fact, some City of Hurst property owners pay taxes to the Birdville or Grapevine-Colleyville Independent School Districts. HEB ISD is shown above as the vast majority of Hurst residents reside within HEB ISD’s boundaries.

**City of Hurst, Texas**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

**Table B-3**

Taxpayer	2012			2021		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Melvin Simon & Associates Inc.	\$157,747,023	1	7.28%	\$ 133,702,448	1	4.03%
Shops at Northeast Mall LLC				66,750,000	2	2.01%
Westdale Hills 2013 LP				52,132,365	3	1.57%
Kelly-Moore Paint Co. Inc.	15,504,342	7	0.72%	34,697,202	4	1.05%
Cookscreek 255 LLC				33,300,000	5	1.00%
WWC LII LP				31,626,021	6	0.95%
Mayfair Station LLC	15,177,117	9	0.70%	28,322,055	7	0.85%
Oncor Electric Delivery	15,479,321	8	0.71%	21,485,758	8	0.65%
Wal-Mart Real Estate Bus Trust	23,225,819	2	1.07%	20,089,049	9	0.61%
Kroger Market Street Village				17,676,702	10	0.53%
Dillard's Properties Inc./Dillard Texas Central I	23,067,975	3	1.06%	-		0.00%
Hurst City Apartment Partners Ltd.	18,135,250	4	0.84%	-		0.00%
Macy's Tx I LP/Macy's Retail Holdings Inc	17,296,344	5	0.80%	-		0.00%
Somerset Village Partners LP	16,647,380	6	0.77%	-		0.00%
Texcan Ventures Ii/Iii Ltd	14,198,064	10	0.65%	-		0.00%
Total	<u>\$316,478,635</u>		<u>14.60%</u>	<u>\$ 439,781,600</u>		<u>13.25%</u>

**Source:** Tarrant Appraisal District

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

**Table B-4**

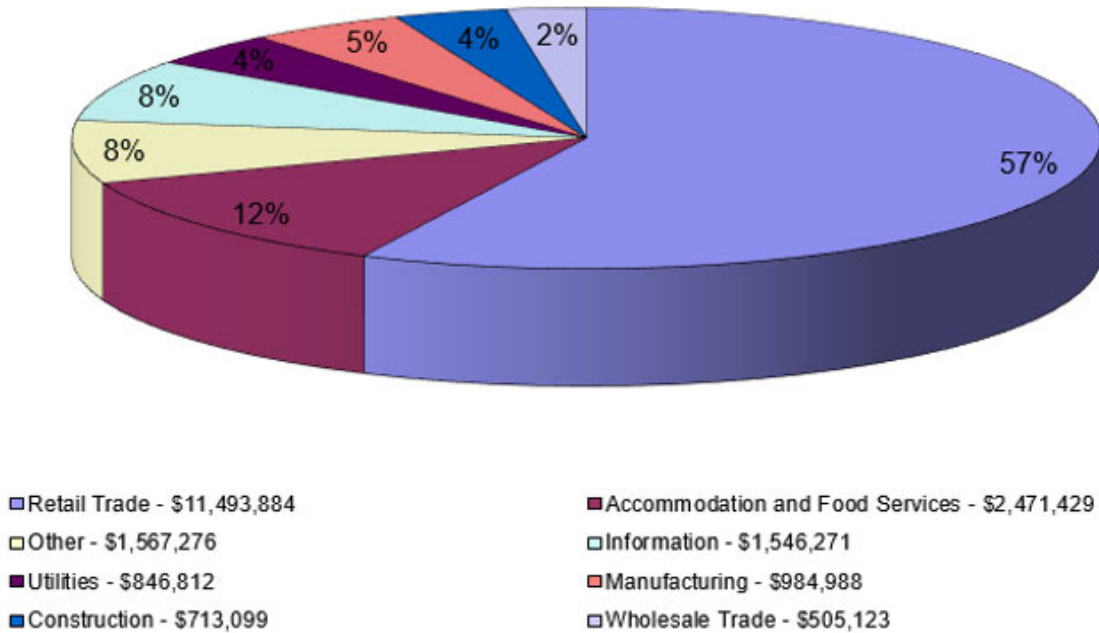
Fiscal Year Ended Sept 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Collections	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	12,355,434	12,248,093	99.1%	91,490	12,339,583	99.9%
2013	13,169,789	13,098,911	99.5%	69,952	13,168,863	100.0%
2014	13,492,137	13,408,082	99.4%	75,382	13,483,464	99.9%
2015	14,059,530	13,953,040	99.2%	61,963	14,015,003	99.7%
2016	14,079,556	13,951,219	99.1%	11,772	13,962,991	99.2%
2017	15,052,747	14,831,734	98.5%	199,103	15,030,837	99.9%
2018	16,103,519	15,993,536	99.3%	133,422	16,126,959	100.1%
2019	17,258,532	17,049,741	98.8%	51,611	17,101,353	99.1%
2020	19,058,554	18,921,015	99.3%	17,966	18,938,981	99.4%
2021	20,514,104	20,296,780	98.9%	6,604	20,303,384	99.0%

**Source:** Tarrant County tax assessor and collector.

**City of Hurst, Texas**  
**Sales Tax Sources by NAICS Code**  
**September 30, 2021**

**Table B-5**

**SALES TAX SOURCES**



**Note:** Information provided based on NAICS categories as reported by the State Comptroller. State law prohibits reporting of sales tax information associated with individual taxpayers.

**Note:** Other category includes Agriculture, Mining, Transportation, Finance, Real Estate, Professional, Management, Administrative and Support, Educational, Health Care, Arts and Public Administration services.

**City of Hurst, Texas**  
**Sales Tax Rate and Sales Tax Revenue**  
**Last Ten Fiscal Years**

**Table B-6**

Fiscal Year Ended September 30,	Sales Tax Revenue General Fund	Sales Tax Sharing General Fund	Net Sales Tax Revenue General Fund	Net Sales Tax Revenue ACHCST Fund	Sales Tax Revenue CSHCST Fund	Sales Tax Sharing CSHCST Fund	Net Sales Tax Revenue CSHCST Fund
2012	9,734,599	703,694	9,030,905	4,860,403	4,867,421	351,847	4,515,574
2013	9,713,270	726,364	8,986,906	4,839,025	4,864,710	363,182	4,501,528
2014	10,086,852	605,778	9,481,074	5,028,717	5,050,819	302,889	4,747,930
2015	10,756,525	630,372	10,126,153	5,358,521	5,387,596	315,186	5,072,410
2016	10,823,317	759,423	10,063,894	5,438,519	5,423,974	379,711	5,044,262
2017	10,521,878	768,090	9,753,788	5,225,540	5,261,090	332,210	4,928,880
2018	10,611,912	859,187	9,752,725	5,290,203	5,306,115	331,107	4,975,008
2019	10,552,862	882,832	9,670,030	5,250,689	5,276,599	335,916	4,940,682
2020	10,128,793	726,473	9,402,320	4,921,887	5,064,575	248,236	4,816,339
2021	11,163,917	729,012	10,434,905	5,647,809	5,582,137	268,886	5,313,252
1.00%	Local Sales Tax, Effective July 1, 1993						
0.50%	Community Services Half-Cent Sales Tax, Effective July 1, 1993						
0.50%	Anti-Crime Half-Cent Sales Tax, Effective January 1, 1996						
<u>2.00%</u>	Total Local Sales Tax Rate						

**Note:** ACHCST refers to the Anti-Crime Half-Cent Sales Tax Fund. CSHCST refers to the Community Services Half-Cent Sales Tax Fund

**Note on Sales Tax Sharing:** In August 1996, the City entered into agreements with Southeastern Simon, Inc. under Chapter 380, Texas Local Government Code, to promote new and expanded economic development. Per these agreements, the City will share a portion of the sales tax generated by such new and expanded business with Southeastern Simon, Inc. for a stipulated period of time. Sales tax sharing for the North East Mall expansion project began in fiscal year 2003 and covers a maximum of 20 years. Sales tax sharing for the Shops at North East Mall began in fiscal year 2002 and concluded in fiscal year 2009.

**City of Hurst, Texas**  
**Principal Water Customers**  
**September 30, 2021**

**Table B-7**

	<b>Consumption (1,000 Gallons)</b>	<b>Water Amount</b>	<b>Sewer Amount</b>	<b>Total Bill</b>
Westdale Asset Mgr.	74,511	\$626,734	\$389,114	\$1,015,848
City of Hurst	54,800	400,926	48,094	449,019
Brookwind Ltd.	28,042	228,079	161,992	390,071
Bell Helicopter	20,082	166,441	115,598	282,039
Wellesley Park Apts	17,483	125,720	25,667	151,387
Tarrant County College	15,013	146,040	123,096	269,136
Valley Oaks Apartments, LLC	13,586	122,015	98,123	220,138
T. S. Asset Calloway	12,903	99,214	77,752	176,967
Barrington Crossing Apartments	12,684	138,741	105,186	243,928
Whispering Run Apartments	<u>12,466</u>	<u>109,433</u>	<u>85,733</u>	<u>195,166</u>
Total	<u><u>261,570</u></u>	<u><u>\$ 2,163,344</u></u>	<u><u>\$ 1,230,355</u></u>	<u><u>\$ 3,393,699</u></u>

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

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

**Table C-1**

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income <sup>b</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Lease Obligation	Certificates of Obligation and Notes	Sales Tax Revenue Bonds	Water Revenue Bonds	Certificates of Obligation	Revenue & General Obligation Refunding				
2012	29,320	1,822	20,300	2,225	-	9,535	6,930	70,132	6.76%	1,877	
2013	29,404	1,544	19,584	1,555	-	9,013	6,360	67,460	6.01%	1,714	
2014	30,455	1,256	24,116	1,020	-	6,781	7,392	71,020	6.27%	1,788	
2015	27,945	1,325	24,425	680	-	6,030	7,440	67,845	6.23%	1,770	
2016	37,735	896	16,860	445	-	4,515	7,455	67,906	6.19%	1,769	
2017	37,415	454	15,660	205	-	1,925	8,860	64,519	5.63%	1,680	
2018	35,785	-	14,415	105	-	2,965	7,780	61,050	5.28%	1,589	
2019	40,890	-	15,525	-	-	2,670	6,760	65,845	5.66%	1,710	
2020	42,095	-	15,155	-	-	2,360	6,248	65,585	5.03%	1,588	
2021	39,135	-	14,095	-	-	2,040	5,310	60,580	4.70%	1,483	

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

<sup>b</sup> See Table D-1 for personal income and population data.

Percentage of Personal Income is calculated using Total Primary Government divided by personal income.

Per Capita is calculated using Total Primary Government divided by population.

**City of Hurst, 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)*

**Table C-2**

Fiscal Year	General Bonded Debt Outstanding			Less Debt Service Fund	Net Bonded Debt	Percentage of Appraised Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Certificates of Obligation	Total				
2012	36,250	29,835	66,085	449	65,636	0.94%	1,757
2013	35,764	28,597	64,361	1,182	63,179	1.93%	1,654
2014	37,847	30,897	68,744	1,146	67,598	1.86%	1,766
2015	35,385	30,455	65,840	1,084	64,756	2.03%	1,689
2016	45,190	21,375	66,565	997	65,568	1.86%	1,708
2017	46,275	17,585	63,860	1,048	62,812	2.06%	1,635
2018	43,565	17,380	60,945	1,373	59,572	1.54%	1,551
2019	47,650	18,195	65,845	1,171	64,674	1.57%	1,679
2020	48,343	17,515	65,858	1,135	64,723	1.36%	1,663
2021	44,445	16,135	60,580	1,134	59,446	1.30%	1,527

**Notes:** Details regarding the City’s outstanding debt can be found in the notes to the financial statements. This schedule includes General Bonded Debt Outstanding for Governmental Activities Only.

<sup>a</sup> See Table B-1 for property value data.

<sup>b</sup> Population data can be found in Table D-1.



**City of Hurst, Texas**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2021**  
*(dollars in thousands)*

**Table C-3**

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Direct and Overlapping Debt
<b>Direct</b>			
City of Hurst	\$ 50,700	100%	\$ 50,700
<b>Debt Repaid with Property Taxes</b>			
Hurst-Eules-Bedford Independent School District	334,460 *	13.36%	44,684
Birdville Independent School District	436,459 *	9.85%	42,991
Grapevine/Colleyville Independent School District	348,092 *	0.56%	1,949
Tarrant County	213,675 *	1.60%	3,419
Tarrant County College District	264,175 *	1.60%	4,227
Tarrant County Hospital District	14,495 *	1.60%	232
Keller Independent School District	843,285 *	0.22%	1,855
Subtotal, overlapping debt			<u>99,357</u>
Total direct and overlapping debt			<u><u>\$ 148,926</u></u> <sup>b</sup>

<sup>a</sup> **Source:** Texas Municipal Reports

<sup>b</sup> Gross Debt Outstanding

# City of Hurst, Texas

## Legal Debt Margin Information

**Table C-4**

The City of Hurst does not have a legal debt limit prescribed by state law. However, Article XI, Section 5 of the Texas Constitution applicable to cities of more than 5,000 population limits the ad valorem tax rate to \$2.50 per \$100 assessed valuation, for cities operating under a Home Rule Charter. The City's Charter provides that general property taxes are limited to \$1.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation bonds.

The City's tax margin for the year ended September 30, 2021, was:

Maximum rate per \$100 valuation under Article XI	\$ 2.500000
City of Hurst's 2020-21 rate	<u>0.625159</u>
Margin	<u><u>\$ 1.874841</u></u>

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

Fiscal Year	Water Revenue Bonds					
	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	19,365,425	17,463,816	1,901,609	-	-	0.00%
2013	19,922,694	18,004,763	1,917,931	-	-	0.00%
2014	19,125,902	18,556,729	569,173	-	-	0.00%
2015	19,686,799	19,483,803	202,996	-	-	0.00%
2016	20,145,243	20,259,538	(114,295)	-	-	0.00%
2017	21,349,781	20,027,047	1,322,734	-	-	0.00%
2018	22,628,247	20,466,468	2,161,779	-	-	0.00%
2019	21,229,151	21,286,679	(57,528)	-	-	0.00%
2020	21,779,612	20,373,220	1,406,392	-	-	0.00%
2021	21,575,460	17,472,191	2,269,774	-	-	0.00%

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation or amortization expenses.

<sup>a</sup> Sales tax revenue bonds are backed by the sales tax revenue produced by the Half-Cent Community Services Development Corporation (HCCSDC).

<sup>b</sup> Excludes one-time, pay-as-you-go capital project costs.

**Table C-5**

Sales Tax Revenue Bonds <sup>a</sup>					
HCCSDC Sales Tax Revenue	Less: Operating Expenses <sup>b</sup>	Net Available Revenue	Debt Service		Coverage
			Principal	Interest	
4,515,574	2,448,519	2,067,055	650,000	69,000	2.87 %
4,501,528	2,467,786	2,033,742	670,000	53,400	2.81 %
4,747,930	2,409,652	2,338,278	535,000	37,320	4.09 %
5,072,410	2,525,601	2,546,809	340,000	24,480	6.99 %
5,044,263	3,028,990	2,015,273	235,000	16,320	8.02 %
4,928,877	3,401,889	1,526,988	240,000	10,680	6.09 %
4,975,008	3,347,995	1,627,013	100,000	4,840	15.52 %
4,940,683	3,651,778	1,288,905	105,000	1,260	12.13 %
4,816,339	2,548,896	2,267,443	-	-	-
5,318,285	2,904,874	2,413,411	-	-	-

**City of Hurst, Texas**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

**Table D-1**

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>Education Level in Years of Schooling</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2012	37,360	1,036,516	27,744	38.8	13.5	6,265	6.0%
2013	38,194	1,088,987	28,512	38.8	13.5	6,521	5.8%
2014	38,280	1,091,439	28,512	38.8	13.5	6,636	4.9%
2015	38,340	1,089,354	28,413	37.9	13.2	6,707	3.8%
2016	38,380	1,097,054	28,584	38.3	13.2	6,897	4.1%
2017	38,410	1,145,770	29,830	38.4	13.2	6,930	3.5%
2018	38,410	1,156,256	30,103	38.3	13.3	7,036	3.4%
2019	38,510	1,162,771	30,194	37.2	13.4	6,729	4.9%
2020	38,910	1,227,649	31,551	37.0	13.6	7,022	6.5%
2021	38,930	1,228,280	31,551	37.0	13.6	6,132	4.6%

**Sources:** Population provided by the North Central Texas Council of Governments Regional Data Center. Median age, education level and personal income data provided by the US Census Bureau. Unemployment data provided by the Texas Workforce Commission. School enrollment data provided by the Texas Education Agency.

**Note:** Personal income is in thousands.

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

**Table D-2**

<b>Employer</b>	<b>2012</b>			<b>2021</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Bell Helicopter Textron, Inc.	4,000	1	20.11%	3,800	1	18.36%
North East Mall (Collective employment of stores other than major employers listed)	1,659	2	8.34%	1,706	2	8.24%
Shops at Northeast Mall (Outside)	750	3	3.77%	800	3	3.86%
HEB ISD				640	4	3.09%
Tarrant County College	479	5	2.41%	575	5	2.78%
Walmart Supercenter	575	4	2.89%	479	6	2.31%
City of Hurst	338	7	1.70%	412	7	1.99%
Dillard's Department Store	400	6	2.01%	338	8	1.63%
Macy's	231	8	1.16%	231	9	1.12%
J.C. Penney Company	210	10	1.06%	225	10	1.09%
Target Superstore	225	9	1.13%	-		-
<b>Total</b>	<b>8,867</b>		<b>44.57%</b>	<b>9,206</b>		<b>44.47%</b>

**Source:** City Economic Development Division/City Records.

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

Function/Program	Fiscal Year				
	2012	2013	2014	2015	2016
<b>General Government</b>					
Management services	8.5	8.5	8.7	7.0	8.0
Finance	10.0	10.0	10.0	9.0	9.0
Planning	6.0	6.0	6.0	6.0	6.0
Building	2.0	2.0	3.0	2.0	2.0
Other	26.5	26.5	38.2	42.0	36.5
<b>Conference Center</b>	-	30.0	21.3	24.2	24.2
<b>Police</b>					
Officers	73.0	72.0	75.0	75.0	75.0
Civilians	52.5	48.5	54.5	49.5	48.5
<b>Fire</b>					
Firefighters and officers	60.0	60.0	56.0	56.0	56.0
Civilians	1.5	1.5	1.9	1.6	1.6
<b>Other Public Works</b>					
Engineering	9.0	9.0	8.7	9.2	9.2
Other	22.0	22.0	19.6	19.8	23.9
<b>Parks and Recreation</b>	44.5	44.5	67.2	69.2	66.1
<b>Library</b>	28.5	28.5	27.5	26.7	26.7
<b>Water</b>	26.0	26.0	23.7	23.5	19.0
<b>Wastewater</b>	9.0	9.0	9.0	9.0	10.0
<b>Total</b>	<b>379.0</b>	<b>404.0</b>	<b>430.3</b>	<b>429.7</b>	<b>421.7</b>

Source: Human Resources and Budget Offices.

**Table E-1**

<b>Fiscal Year</b>				
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
8.0	8.0	7.0	7.0	7.0
9.0	9.0	9.0	9.0	9.0
6.0	6.0	6.0	6.0	6.0
2.0	2.0	2.0	2.0	2.0
34.2	35.1	34.0	34.0	34.0
21.7	21.7	21.7	21.7	21.7
75.0	75.0	75.0	75.0	75.0
48.5	48.5	56.5	56.5	56.5
56.0	56.0	56.0	56.0	56.0
1.5	1.5	1.5	1.5	1.0
9.2	9.0	9.0	9.0	9.0
23.9	23.9	24.6	24.6	23.6
70.2	72.9	49.5	49.5	58.5
28.3	28.3	23.5	23.5	23.5
19.0	19.0	19.0	19.0	19.0
10.0	10.0	10.0	10.0	10.0
<u>422.5</u>	<u>425.9</u>	<u>404.4</u>	<u>404.4</u>	<u>411.8</u>



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

Function/Program	Fiscal Year				
	2012	2013	2014	2015	2016
<b>General Government</b>					
Building permits issued					
Commercial					
Number issued	156	165	136	111	123
Estimated cost	\$ 20,436,524	\$ 53,890,287	\$ 14,761,218	\$ 34,515,346	\$ 35,918,137
Residential					
Number issued	92	141	144	128	191
Estimated cost	\$ 2,310,930	\$ 3,994,351	\$ 4,787,971	\$ 3,111,349	\$ 4,831,284
<b>Public Safety</b>					
Police					
Physical arrests	3,250	3,088	2,857	2,897	2,592
Parking violations	421	186	141	197	152
Traffic violations	16,311	14,161	17,894	15,996	15,327
Fire/Emergency Medical Services					
Emergency responses	4,735	4,597	4,468	4,702	4,811
Patients transported	2,281	2,209	2,170	2,040	2,267
Fires extinguished	118	106	91	86	112
Average Response Time:					
Fire	5:03	4:36	5:11	5:01	5:06
EMS	4:45	4:43	5:06	5:03	4:28
Inspections	1,463	1,545	1,412	847	579
<b>Public Works</b>					
Street resurfacing (miles)	8	9	5	8	7
Potholes repaired (sq. yards)	52,000	43,000	26,000	11,537	12,200
<b>Culture and Recreation</b>					
Parks and recreation					
Athletic field reservations issued	184	120	88	92	87
Recreation center admissions	342,961	368,034	296,719	290,380	281,861
Library					
Volumes in collection	150,197	160,844	161,608	142,851	145,474
Total volumes borrowed	428,484	444,705	434,205	405,826	378,417
<b>Water and Sewer</b>					
Water customer billings at 9/30	12,155	11,526	12,237	12,226	12,257
Water main breaks	38	38	56	84	40
Average daily consumption (millions of gallons)	5.63	5.65	5.16	4.96	4.90

**Sources:** Various city departments.

<sup>a</sup> As of September 30, 2019, this amount represents square footage as the City can no longer request valuation on residential property. Data is not available for fiscal year 2020 due to a software migration.

**Table E-2**

		Fiscal Year						
		2017	2018	2019	2020	2021		
	136		132	145	95	81		
\$	24,515,873	\$	14,936,691	\$	48,862,248	\$	29,666,561	\$5,935,919
	158		124	98	102	127		
\$	3,514,922	\$	5,161,297	83,202 (a)	-	(a)	34,002 (a)	
	2,607		2,351	1,901	1,493	1,618		
	168		148	93	96	76		
	14,942		13,581	10,590	6,592	4,644		
	4,873		4,996	4,867	4,911	5,385		
	2,216		2,065	2,131	2,136	2,340		
	100		122	85	88	107		
	4:35		5:07	5:01	5:25	5:57		
	4:59		5:09	5:36	5:07	5:01		
	300		1,584	1,651	600	195		
	7		6	7	6	5		
	6,612		4,540	2,317	2,539	728		
	60		51	55	17	11		
	270,356		240,979	236,039	128,271	116,210		
	142,751		135,659	124,157	120,707	122,145		
	348,932		416,395	411,691	242,686	253,296		
	12,327		12,193	12,385	12,385	12,393		
	27		41	39	39	31		
	5.02		5.23	4.88	4.96	5.03		

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

Function/Program	Fiscal Year Ended				
	2012	2013	2014	2015	2016
<b>Police</b>					
Stations	1	1	1	1	1
Store fronts	2	2	2	3	2
Patrol units	29	30	30	27	26
<b>Fire Stations</b>	3	3	3	3	3
<b>Other Public Works</b>					
Streets (miles)	146	146	146	146	148
Traffic signals	41	41	55	55	56
<b>Parks and Recreation</b>					
Acreage	280	280	280	290	280
Playgrounds	16	16	16	16	16
Family aquatic centers	2	2	2	2	2
<b>Water</b>					
Water mains (miles)	202.50	204.00	199.00	201.11	204.00
Fire hydrants	1,196	1,268	1,205	1,233	1,226
Storage capacity (millions of gallons)	8.90	8.30	8.00	9.40	9.40
<b>Wastewater</b>					
Sanitary sewers (miles)	155.00	156.00	154.20	153.06	154.50
Storm sewers (miles)	86.00	86.00	86.00	88.95	86.00

**Sources:** Various city departments.

**Table E-3**

<b>Fiscal Year Ended</b>					
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	
1	1	1	1	1	
2	2	2	2	2	
28	28	28	28	28	
3	3	3	3	3	
148	148	148	148	148	
56	56	56	56	56	
280	280	280	280	280	
16	16	16	16	16	
2	2	2	2	2	
205.00	205	205	205	205	
1,235	1,240	1,330	1,339	1,339	
9.40	9.4	9.4	9.4	9.4	
154.50	154.84	155.00	155.00	155.00	
86.00	86.00	86.00	86.00	86.00	

