




City of Hurst, Texas

Annual Comprehensive Financial Report

Year Ended September 30, 2023

Prepared by: City of Hurst, Texas Finance Department





City of Hurst, Texas
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Year Ended September 30, 2023

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Introductory Section





February 19, 2024

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, 2023 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 continue to 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 99% 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. All 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-Eules-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.

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ECONOMIC CONDITION AND OUTLOOK

Coming out of the pandemic and the related economic uncertainty that persists today, including inflationary pressures and staffing challenges, the City remains committed to the Council's strategic planning process and its conservative budgeting practices. The steadfast leadership of the Council and executive team helped guide the City through these recent and ongoing challenges while maintaining our strong overall financial position.

Public safety remains a top priority for our community, with over half of General Fund expenditures dedicated to Police and Fire operations. This focus on Police and Fire operations is reflected in the annual citizen survey, which consistently ranks public safety as their top priority. The City also remains committed to our redevelopment plan that focuses on key catalytic areas with underutilized commercial space that can be repurposed or reimagined. Recent activity includes the opening of Mission Town Square with 67 new David Weekly homes that are now available for lease and the City's acquisition of a commercial space in another key area that will be repurposed for residential and/or mixed-use. The City welcomed 145 new businesses to town in 2022-2023, including Lifted Trucks, a custom truck reseller, and restaurants Dave's Hot Chicken, Texas Star Bar*B*Q and Cookies Crumbs and Crust. Citywide, retail space was 96% occupied. Although the North East Mall faces competition from new shopping options in surrounding cities, it began 2023 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.

Property taxes remain a primary revenue source for General Fund operations, representing approximately 48% of total General Fund revenues for Fiscal Year 2022-2023. Certified net taxable values increased by 8% in Tax Year 2022, reflecting a stable housing market and continued growth in the region. As a result, we budgeted a 7.3% increase in property tax revenues in fiscal year 2022-2023. However, because we refinanced outstanding debt and took advantage of the low interest rate environment in recent years, we were able to decrease the debt component of our property tax rate by a penny in Fiscal Year 2022-2023.

Sales taxes are also a key revenue source for General Fund operations, representing approximately 32% of total General Fund revenues for Fiscal Year 2022-2023. 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 also assesses a half percent (half-cent) sales tax for crime control and prevention purposes, and a half percent (half-cent) sales tax for Community Services projects. Total sales taxes increased by 1% in Fiscal Year 2022-2023 and have decreased by 2.7% in the first four months of Fiscal Year 2023-2024. It appears sales taxes are leveling off after the increased revenues received coming out of the pandemic. And because of the volatile nature of sales taxes, 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 2022-2023, sales tax revenues for the General Fund were approximately \$2.6 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.

City staff evaluates our fee structure when developing the annual budget and on an ongoing basis. Community Services revenues, which include fees charged at the City's Recreation Center, two Aquatics Centers, Senior Center and Athletic Fields were down by \$33,000, or 2.9%, in Fiscal Year 2022-2023. Community Services was significantly impacted by the pandemic and more recently by inflationary pressures and staffing challenges. Municipal Court fines were down by \$112,000, or 21% in Fiscal Year 2022-2023. Court fines have been trending down over the past several years for various reasons including alternative, non-monetary, ways to satisfy fines owed. Franchise fees were up by \$21,000, or 0.8% in Fiscal Year 2022-2023. Increases in electric and gas franchise fees were partially offset by decreases in telephone, cable and solid waste franchise fees.

The General Fund budget for Fiscal Year 2023-2024 increased by 5.17% over the previous year's adopted budget. The Fiscal Year 2023-2024 General Fund budget is balanced by increased property and sales tax revenues and focuses on maintaining service levels while addressing inflationary pressures, particularly in the labor market.

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 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 2022-2023 - 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 2022-2023, 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 2022-2023, the Public Information Division monitored the activities of the 88th legislature, updated the code of ordinances as needed and coordinated 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 2022-2023 the Judicial Division continued cross-training staff and implementing other customer service initiatives.

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 2022-2023, Administration focused on citizen engagement through popular programs such as the Town Hall Forum, Hurst 101 and Youth in Government.

The Economic Development Division seeks to expand the local economy by retaining existing businesses and attracting new businesses to Hurst. In 2022-2023, Economic Development continued outreach efforts to developers, brokers, landlords and retailers to attract and retain businesses in Hurst. Through this ongoing engagement, 96% of the City's 6.6 million square feet in total retail inventory is now occupied.

The Hurst Conference Center (<https://hurstcc.com/>) is a state-of-the-art facility with over 50,000 square feet of event space and an adjoining 140-room hotel. The Conference Center can accommodate intimate events or multi-day programs for up to 900 guests and offers exceptional on-site catering. Revenues hit a record high in 2022-2023 due to the efforts of the Conference Center staff and ongoing reinvestment in the facility itself, including the recent replacement of the building's rooftop HVAC system.

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 2022-2023, Public Works completed construction of Karla Drive modifications, the Hurstview Bridge and miscellaneous water main replacements. To maintain the City's streets, Public Works overlaid, crack sealed or seal coated 30 lane miles of road surface.

The Fiscal Services Department provides fiscally responsible control and guidance over all financial matters of the City. In 2022-2023, Fiscal Services upgraded its Enterprise Resource Planning software for added functionality and increased efficiencies. Fiscal Services also received its forty-ninth Certificate of Achievement for Excellence in Financial Reporting Award and its thirty-fifth 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 2022-2023, Utility Billing implemented new operating efficiencies, including digitizing hard copies of water service applications, streamlining payments of City water bills and reviewing software controls to ensure system integrity.

The Information Technology Division maintains the City's technology infrastructure, and in 2022-2023, they facilitated state mandated cybersecurity training, completed the camera system upgrade and coordinated various other equipment/software upgrades across the City as needed.

The Planning and Community Development Division coordinates the review of zoning, site plan and plat proposals, and is responsible for Code Enforcement activities. In 2022-2023, the Division enforced the City's short-term rental ban, coordinated the City's Property Pride, Community Powered Revitalization, and Tarrant County HOME rehabilitation programs, and hosted the City's first Rain Barrel Harvesting program to educate citizens about water conservation and native plants.

The Equipment Services Division supports all City Departments by maintaining, repairing and replacing City equipment. Equipment Services is responsible for 275 pieces of equipment. Supply chain constraints began to

ease somewhat in 2022-2023 allowing the City to purchase new vehicles for Police and other departments.

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 2022-2023, Human Resources reviewed its organizational structure and division of duties, coordinated open enrollment for health insurance and facilitated new employee orientation.

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 \$6.2 million in 2022-2023. The Department continued to provide responsive police services in 2022-2023, maintained its accreditation through the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA), and participated in regional law enforcement efforts to curtail vehicle related crimes and illegal narcotics.

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 2022-2023, Fire installed ventilation doors in the bay area at Fire Station 1 to aid in the City's cancer prevention initiative and installed new inventory software to track medical and general supplies. 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 17 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 \$6.2 million in 2022-2023. In 2022-2023, Community Services completed replanting of over half the trees taken by winter storm Uri and developed an event series to highlight our new dog park, including the Doggone Egg Hunt. Also, the Aquatics division received the Gold International Safety Award and the Golden Guard Award from Ellis and Associates for its safety initiatives and the Library received an Achievement of Excellence award from the Texas Municipal Library Directors Association for demonstrating outstanding contributions to public library services. Facilities Projects completed during 2022-2023 include the Library HVAC replacement, Brookside Center roof replacement and the Hurst Athletic Complex playground replacement.

FISCAL YEAR 2023-2024 – The following section highlights a few of the initiatives planned for next fiscal year:

- Economic Development will work with local businesses, landlords and real estate developers to retain and promote existing businesses and encourage targeted redevelopment including the Val Oaks and Central Park areas. Economic Development will also facilitate ongoing discussions with Simon Property Group to determine the highest and best use for the North East Mall.
- The Hurst Conference Center will continue to innovate, market its brand and evaluate capital investments to maintain the building's features, equipment, and fixtures.
- Public Works will continue its miscellaneous water, sewer, storm drain and streets improvement projects, including Pipeline Road widening, the 48th Year Community Development Block Grant (CDBG) paving, water and sewer improvements on Livingston Drive, the Community Development Block Grant Cares Act (CDBG-CV) water main replacement on Brown Trail and traffic signal improvements at Precinct Line Road and Redbud Drive.
- Finance will monitor the City's fiscal condition, including the impacts of inflation, interest rates and any lingering supply chain pressures. Finance will also facilitate the issuance of new debt, the implementation of new accounting standards and training to help end-users understand the new features/functionality of our recently upgraded Enterprise Resource Planning (ERP) software.
- Information Technology will continue monitoring cyber-security threats and the adequacy of the City's defenses against them, including annual cyber security training. Information Technology will also coordinate the installation of new/updated software and equipment, including city-wide wi-fi replacement and network/cloud security.

- Planning and Community Development will proactively promote property pride and code compliance to maintain neighborhood integrity, adopt a special use permit process for convenience stores and update the City's website to assist with the permitting and inspection processes.
- Human Resources will implement position control to track all budgeted positions, identify process improvements, create Standard Operating Procedures and cross-train its staff to improve customer service, digitize its records management system and develop training materials to assist supervisors navigate the hiring process.
- Police will continue to provide excellent and responsive services and coordinate with Information Technology on the implementation of the new CAD/RMS system.
- Fire will continue to evaluate its firefighter health and safety programs, monitor staffing and equipment needs and evaluate the pricing of the ambulance subscription program.
- Community Services will continue its focus on the arts, including the Art in Public Places & Utility Box Wrap programs and evaluate membership fees. Community Services will also complete a citywide irrigation controller upgrade, oversee the ongoing Highway 10 median landscaping construction and maintenance project, explore creative ways to recruit new staff and engage the community to develop new programming.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure 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 ensure 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 ensure that the financial statements are fairly presented in accordance with generally accepted accounting principles, the City Council engaged FORVIS, LLP to conduct an independent audit of our financial statements for the fiscal year ending 9/30/2023.

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, 2022. This was the 49th 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.

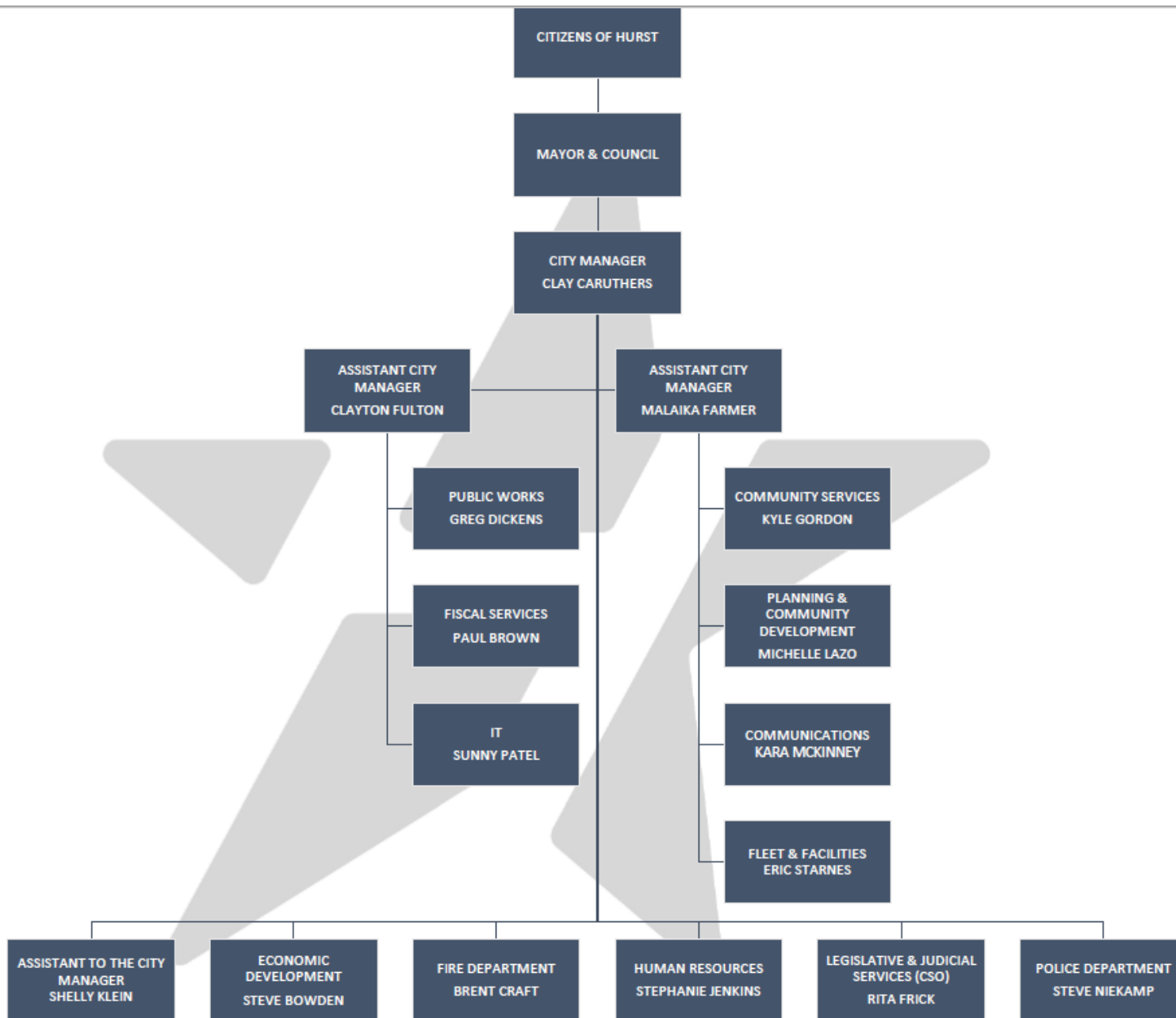
ACKNOWLEDGMENTS

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 and for 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
LIST OF PRINCIPAL OFFICIALS
September 30, 2023

CITY COUNCIL

Henry Wilson	<i>Mayor</i>
Gary Waldron	<i>Mayor Pro Tem</i>
Jimmy Meeks	<i>Councilmember</i>
John Miller	<i>Councilmember</i>
Cathy Brotherton	<i>Councilmember</i>
Jon Mckenzie	<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>
Brent Craft	<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>
Stephanie Jenkins	<i>Executive Director of Human Resources</i>
Michelle Lazo	<i>Executive Director Planning & 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>
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FORVIS, LLP	<i>Auditors</i>
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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, 2022

Christopher P. Morill

Executive Director/CEO



Financial Section





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forvis.com

Independent Auditor's Report

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

Opinions

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in *Note 1* to the financial statements, in fiscal year 2023, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

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

Supplementary Information

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

Other Information

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

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

Prior-Year Comparative Information

The 2023 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 City's financial statements for the year ended September 30, 2022, from which such summarized information was derived.

FORVIS,LLP

**Dallas, Texas
February 19, 2024**



City of Hurst, Texas
Management's Discussion and Analysis
Year Ended September 30, 2023

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, 2023. 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, 2023, by \$223,562,429. Of this amount, \$43,889,951 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's net position increased \$6,130,587, an increase of 2.82%. The net position of business-type activities increased by \$3,151,875 or 5.23%, primarily due to operating revenues exceeding operating expenses. Net position of the City's governmental activities increased by \$2,978,712 or 1.89%. Property, sales, and hotel/motel taxes & charges for services were strong in FY23. Court fees continued a downward trend, while electric, gas, and solid waste franchise fees rose. Interest earnings increased as rates were raised to combat inflation in FY23.

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 \$2,171,627 and after transfers and contributions achieved an ending increase in net position of \$2,968,744. 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 a decrease of \$21,628 to the change in net position of business-type activities. HCC experienced an increase in net position of \$298,915. 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. Although HCC revenues continued to recover in FY23, HCC experienced a loss before contributions and transfers totaling \$49,147. Despite these challenges, the HCC has maintained a balance of one million dollars in cash and cash equivalents over the last seven fiscal years, including those impacted by the pandemic. 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 Fund and Val Oaks Fund increased net position by \$121,541.

Total cost of all of the City's programs was \$86,106,594 in 2023 compared to \$72,273,223 in 2022.

During the year, the City had governmental program expenses of \$58,919,550, which is less than program and general revenues, contributions, and transfers of \$62,039,012. Governmental expenditures rose by approximately 2% as there was a 3.5% cost of living adjustment (COLA) plus market-based wage adjustments were adopted in the FY23 Budget to mitigate the effects of wage inflation.

The business-type activities had program expenses of \$27,187,044, which were covered by operating revenues and contributions of \$30,198,169. Water/Sewer expenditures rose by approximately 5% as wholesale water/wastewater rates increased, a COLA was adopted, and services were restored in FY23. Water/sewer revenues were strong in FY23 and included a 3% increase in water/sewer rates to combat rising wholesale costs.

City of Hurst, Texas

Management's Discussion and Analysis

Year Ended September 30, 2023

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 14 through 15) 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 16. 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 14. 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 of resources, 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 increased by \$5,648,903. Revenues decreased by \$3,820,758 while expenditures increased by \$1,218,756 and other financing sources and uses decreased by \$1,389,722. Revenues were positively impacted by rising property, and sales and hotel/motel taxes. Grant revenues decreased as the Coronavirus State and Local Fiscal Recovery Funds were recognized in prior year. Expenditures were impacted by several large capital investments in FY23, including the completion of the Animal Shelter, HVAC units at the Hurst Convention Center and Library, and upgrade and implementation of our Enterprise Resource Planning software to the Cloud. Other financing sources and uses are impacted by year-end transfers from the General to the Special Projects.

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.

City of Hurst, Texas
Management's Discussion and Analysis
Year Ended September 30, 2023

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 16. 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.

City of Hurst, Texas
Management's Discussion and Analysis
Year Ended September 30, 2023

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 \$223,562,429, as of September 30, 2023.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 98,947,160	\$ 90,661,452	\$ 28,483,901	\$ 27,246,865	\$ 127,431,061	\$ 117,908,317
Capital, lease, and subscription assets	<u>150,646,784</u>	<u>153,067,609</u>	<u>50,953,803</u>	<u>50,470,293</u>	<u>201,600,587</u>	<u>203,537,902</u>
Total assets	249,593,944	243,729,061	79,437,704	77,717,158	329,031,648	321,446,219
Deferred outflows of resources	<u>18,858,784</u>	<u>7,515,062</u>	<u>3,649,855</u>	<u>1,646,844</u>	<u>22,508,639</u>	<u>9,161,906</u>
Long-term liabilities	91,543,050	69,835,907	13,314,479	9,782,767	104,857,530	79,618,674
Other liabilities	<u>13,468,213</u>	<u>11,715,040</u>	<u>5,448,891</u>	<u>6,617,544</u>	<u>18,917,103</u>	<u>18,332,584</u>
Total liabilities	105,011,263	81,550,947	18,763,370	16,400,311	123,774,633	97,951,258
Deferred inflows of resources	<u>3,266,559</u>	<u>12,490,982</u>	<u>936,666</u>	<u>2,734,043</u>	<u>4,203,225</u>	<u>15,225,025</u>
Net position						
Net investment in capital assets	105,576,298	107,071,255	46,021,443	44,943,007	151,597,741	152,014,262
Restricted	28,074,737	24,870,497	-	-	28,074,737	24,870,497
Unrestricted	<u>26,523,871</u>	<u>25,260,442</u>	<u>17,366,080</u>	<u>15,286,641</u>	<u>43,889,951</u>	<u>40,547,083</u>
Total net position	<u>\$ 160,174,906</u>	<u>\$ 157,202,194</u>	<u>\$ 63,387,523</u>	<u>\$ 60,229,648</u>	<u>\$ 223,562,429</u>	<u>\$ 217,431,842</u>

City of Hurst, Texas
Management's Discussion and Analysis
Year Ended September 30, 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
General Revenue						
Sales taxes	\$ 24,491,658	\$ 24,292,054	\$ -	\$ -	\$ 24,491,658	\$ 24,292,054
Franchise taxes	2,694,566	2,663,951	-	-	2,694,566	2,663,951
Property taxes	22,070,415	20,699,923	-	-	22,070,415	20,699,923
Occupancy taxes	1,020,995	958,104	-	-	1,020,995	958,104
Investment earnings (losses)	3,149,934	(812,485)	860,026	(111,314)	4,009,960	(923,799)
Grants not restricted to specific programs	-	9,606,179	-	-	-	9,606,179
Miscellaneous	1,693,590	774,268	-	-	1,693,590	774,268
Program revenue						
Charges for service	4,330,476	5,078,640	28,938,085	28,139,439	33,268,561	33,218,079
Operating grants and contributions	2,361,002	1,516,275	-	-	2,361,002	1,516,275
Capital grants and contributions	226,376	-	400,058	369,783	626,434	369,783
Total revenues	62,039,012	64,776,909	30,198,169	28,397,908	92,237,181	93,174,817
Program Expenses Including Indirect Expenses						
General government	7,937,133	4,109,697	-	-	7,937,133	4,109,697
Public safety	33,012,865	25,461,659	-	-	33,012,865	25,461,659
Culture and recreation	11,800,248	11,639,982	-	-	11,800,248	11,639,982
Public works	4,736,648	4,958,387	-	-	4,736,648	4,958,387
Interest on debt	1,432,656	1,476,018	-	-	1,432,656	1,476,018
Water and sewer	-	-	22,252,474	21,143,906	22,252,474	21,143,906
Stormwater management	-	-	1,223,552	1,011,047	1,223,552	1,011,047
Hurst Public Facility Corporation	-	-	8,429	6,549	8,429	6,549
Val Oaks	-	-	56,571	-	56,571	-
Conference and meeting center	-	-	3,646,018	2,465,978	3,646,018	2,465,978
Total expenses	58,919,550	47,645,743	27,187,044	24,627,480	86,106,594	72,273,223
Excess Before Transfers	3,119,462	17,131,166	3,011,125	3,770,428	6,130,587	20,901,594
Transfers	(146,750)	(1,345,659)	146,750	1,345,659	-	-
Change in Net Position	2,972,712	15,785,507	3,157,875	5,116,087	6,130,587	20,901,594
Net Position Beginning	157,202,194	141,416,687	60,229,648	55,113,561	217,431,842	196,530,248
Net Position Ending	\$160,174,906	\$157,202,194	\$ 63,387,523	\$ 60,229,648	\$223,562,429	\$217,431,842

Net position of the City's governmental activities increased by \$2,972,712, equaling \$160,174,906 at September 30, 2023, compared to \$157,202,194 at September 30, 2022.

City of Hurst, Texas
Management’s Discussion and Analysis
Year Ended September 30, 2023

For the net position of the City’s Governmental Activities, Net Investment in Capital Assets and restricted increased by a combined \$1,709,283, while Unrestricted net position increased by \$1,263,429, largely due to an increase in property and sales & hotel/motel tax revenues to offset public safety salaries. Due to the potentially volatile nature of sales tax revenues generally and any lingering effects of the pandemic, sales tax revenues were conservatively budgeted in FY23. As a result, actual sales tax revenues exceeded budget by \$3.5 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 \$3,157,875 or 5% in 2023 to \$63,387,523 compared to \$60,229,648 in 2022. Operating income of \$2,126,978 occurred before transfers and contributions.

The City raised water and sewer rates by 3% in FY23 to offset rising wholesale water and wastewater costs. Water revenues are heavily influenced by weather patterns. Overall, the Water and Sewer Fund remains fiscally sound.

THE CITY’S FUNDS

The following schedules presents a summary of general, special revenue, capital projects/special projects and debt service revenues and expenditures for the fiscal year ended September 30, 2023, and the amount and percentage of increases and decreases in relation to the prior year.

Revenues	FY2023 Amount	Percent of Total	Increase (Decrease) from FY2022	Percent Increase (Decrease)
Taxes	\$ 50,292,941	84.13%	\$ 1,572,185	3.23%
Licenses and permits	1,039,614	1.74%	178,032	20.66%
Intergovernmental	2,361,002	3.95%	844,727	35.95%
Charges for services	2,286,995	3.83%	(62,824)	-10.13%
Fines and forfeitures	459,759	0.77%	(160,537)	-10.59%
Investment earnings (losses)	2,795,644	4.68%	3,434,517	537.59%
Grants and contributions	-	0.00%	-	100.00%
Miscellaneous	545,920	0.90%	(20,679)	-3.65%
Total revenues	<u>\$ 59,781,875</u>	<u>100.00%</u>	<u>\$ 5,785,421</u>	

The increase in taxes was driven by rising property values, rising sales tax collections, the end of the sales tax sharing agreement with Simon Property Group and rising hotel/motel tax collections. The increase in intergovernmental revenues was caused by the interlocal agreement with Tarrant County for the construction phase of the Pipeline Road widening. The decline in fines and forfeitures was driven by court fees, which have been trending downward since their peak in FY13. Although the City holds all investments to maturity, gains/losses are recognized in the financial statements at year end. As the investment market recovered in FY23, the City recognized investment earnings as the interest rates of investments held in the City’s portfolio are more than current market rates.

City of Hurst, Texas
Management’s Discussion and Analysis
Year Ended September 30, 2023

Expenditures	FY2023 Amount	Percent of Total	Increase (Decrease) from FY2022	Percent Increase (Decrease)
General government	\$ 3,745,565	7.04%	\$ (331,001)	-8.12%
Public safety	26,694,706	50.16%	1,726,872	6.92%
Culture and recreation	9,991,630	18.77%	538,019	5.69%
Public works	2,773,546	5.21%	(273,391)	-8.97%
Capital outlay	4,714,128	8.86%	(530,611)	-10.12%
Debt service				
Principal	3,744,834	7.04%	144,834	4.02%
Interest and fees	1,556,838	2.92%	(55,966)	-3.47%
Total expenditures	<u>\$ 53,221,247</u>	<u>100.00%</u>	<u>\$ 1,218,756</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 \$6,182,516. As a result, \$4,075,886 of this excess was transferred to the Special Projects Fund for pay-go projects and other unfunded needs. An additional \$1,000,000 of this excess 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 \$21,654,580 compared to \$21,031,771 at September 30, 2022. 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 \$772,464 in 2023 after increasing \$1,377,268 in 2022. This increase is due to strong sales tax collections in FY23 and improved market conditions resulting in investment returns, offset by capital outlay expenditures for replacement of the Library HVAC unit.

The Fund Balance in the Anti-Crime Special Revenue Fund increased by \$1,561,333, after increasing \$2,166,998 last year. This increase is due to strong sales tax collections in FY23 and improved investment market conditions resulting in investment returns.

The fund balance in the Special Projects Fund increased by \$3,705,958 in FY23. Capital “Pay-Go” projects charged to this Fund in FY23 included the improvements to pipelines, replacement of the Brookside Roof, and the upgrade of our Enterprise resource planning software to the Cloud and the purchase of equipment for the Hurst Conference Center. Special Projects’ ending fund balance is assigned for projects approved by City Council and Management.

GENERAL FUND BUDGETARY HIGHLIGHTS

The FY23 budget attempted to restore services to pre-pandemic levels while also considering inflationary pressures and supply chain constraints. 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.

City of Hurst, Texas
Management's Discussion and Analysis
Year Ended September 30, 2023

Actual General Fund revenues of \$40,832,313 exceeded budgeted revenues of \$36,056,623 by \$4,775,690. Due to its potential volatility, the City always budgets sales taxes conservatively. Fortunately, however, sales tax revenues ended FY23 at their highest levels to date. As a result, actual sales tax revenues exceeded budget by approximately \$2.7 million. Charges for Services were strong in FY23, finishing approximately \$229,000 over budget, while grant revenues exceeded budget by approximately \$778 thousand due to an interlocal agreement with Tarrant County for the construction phase of the Pipeline Road widening in FY23. Actual General Fund expenditures of \$34,649,797 fell below budgeted expenditures of \$35,674,536. This \$1,024,739 positive variance was due to operational savings in various divisions, including Non-Departmental, Community Services and Administration.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: At September 30, 2023, the City had \$201,600,587 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 \$1,937,315, or 1%, from last year. This decrease was caused by several ongoing capital projects that were capitalized in FY23 that began being depreciation/amortized.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY 2023</u>	<u>FY 2022 *</u>	<u>FY 2023</u>	<u>FY 2022 *</u>	<u>FY 2023</u>	<u>FY 2022 *</u>
Land	\$ 63,995,754	\$ 63,277,528	\$ 564,612	\$ 564,612	\$ 64,560,366	\$ 63,842,140
Buildings	50,103,594	45,357,890	46,959,738	46,542,043	97,063,332	91,899,933
Improvements	25,036,486	26,651,737	787,322	379,205	25,823,808	27,030,942
Machinery and equipment	4,891,251	5,440,527	602,662	738,170	5,493,913	6,178,697
Right-to-use leased equipment	142,364	-	-	-	142,364	-
Subscription assets	1,852,630	-	-	-	1,852,630	-
CIP	4,624,705	12,339,927	2,039,469	2,246,263	6,664,174	14,586,190
Total	\$150,646,784	\$153,067,609	\$ 50,953,803	\$ 50,470,293	\$201,600,587	\$203,537,902

* Fiscal year 2022 amounts have not been restated for GASB 96, *Subscription-Based Information Technology Arrangements*

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

<u>Title</u>	<u>Amount</u>
Pipeline Phases 3 and 4	\$ 2,515,823
Hurst Convention Center HVAC Roof Unit	434,498
Library HVAC Replacement	414,317
Water Main Replacements	374,307
.75 MG Elevated Storage Tank at Mary Drive	265,443
Animal Shelter Demolition	241,133
Walker-Calloway Branch Outfall Trunk Sewer System Phases 2 and 3	226,394
Fleet Vehicles	210,655
Brookside Center Roof Replacement	205,683

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

City of Hurst, Texas
Management’s Discussion and Analysis
Year Ended September 30, 2023

Long-term Debt: At September 30, 2023, the total debt outstanding was \$51,373,542. Of this amount, \$49,905,000 comprises debt backed by the full faith and credit of the City. While \$515,000 represents bonds secured by specific revenue sources. The remaining \$953,542 represents debt for leased equipment and subscription assets. See *Note 7* to the financial statements for more detailed information on long-term debt activity.

	Governmental Activities		Business-type Activities		Total	
	FY 2023	FY 2022 *	FY 2023	FY 2022 *	FY 2023	FY 2022 *
General obligation	\$ 31,350,000	\$ 33,970,000	\$ 3,215,000	\$ 4,050,000	\$ 34,565,000	\$ 38,020,000
Certificates of obligation	13,530,000	14,335,000	1,810,000	1,925,000	15,340,000	16,260,000
Public property finance contractual obligations	335,000	415,000	-	-	335,000	415,000
Tax notes	180,000	355,000	-	-	180,000	355,000
Lease liabilities	130,686	-	-	-	130,686	-
Subscription liabilities	822,856	-	-	-	822,856	-
Total	\$ 46,348,542	\$ 49,075,000	\$ 5,025,000	\$ 5,975,000	\$ 51,373,542	\$ 55,050,000

* Fiscal year 2022 amounts have not been restated for GASB 96, *Subscription-Based Information Technology Arrangements*

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 FY 2023-2024 budget continues to reflect the City Council's conservative fiscal policies. Major objectives in the budget process include efforts to identify cost-saving measures while providing funding to implement the City Council’s strategic plans. The FY24 budget includes an emphasis on maintaining service levels, managing inflationary pressures, remaining competitive in the Northeast Tarrant County municipal employment market, and replacing communications and patient care equipment for Police and Fire. The FY 2023-2024 budget includes a 3.5% wage increase for all employees plus other targeted market adjustments based upon a compensation survey of Northeast Tarrant County cities.

Collectively, property and sales tax revenues are budgeted to increase by approximately \$1.6 million in FY24. The proposed property tax rate of \$0.581150 per \$100 represents a reduction of under one-cent in the tax rate. The lower rate will generate an increase in revenue resulting from an overall increase in property values throughout the City. The increase in budgeted sales tax revenue remains conservative based upon a budget contingency of approximately 10-percent of general fund sales tax revenue. The sales tax contingency has served to mitigate the negative impact of economic cycles while providing excess revenues during times of economic growth. Additionally, any excess sales tax revenue is transferred to a special projects fund used to support cash funded infrastructure and other capital investments. The General Fund reserve balance represents 90-days of operations, while the Special Projects Fund also maintains an \$8 million emergency reserve.

City of Hurst, Texas
Management's Discussion and Analysis
Year Ended September 30, 2023

For FY24, the Enterprise (Water/Wastewater) Fund's operating budget increased by 6%. The City contracts with Fort Worth and the Trinity River Authority for wholesale water and wastewater services. And these wholesale costs, which represent over 40% of this fund's budget, increased by approximately 7% for FY24. Under the city's rate smoothing policy, the Council considers small incremental rate increases each year.

As such, The FY24 budget includes a 4% increase in water and sewer rates for residential and commercial customers largely to offset increases in wholesale costs, absorb inflationary pressures and support market-based wage adjustments. 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 thirteenth full year of operations in 2022-2023. Events held at the facility include everything from intimate gatherings to corporate events hosting up to approximately 1,000 people. The HCC was significantly impacted by the pandemic in fiscal years 2021 and 2022. However, revenues recovered to approximately 73% of the pre-pandemic high in FY22 and posted a new all-time high in FY23.

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. To view financial documents, you may also visit the City's Website at www.hursttx.gov.

City of Hurst, Texas
Statement of Net Position
September 30, 2023 with Summarized
Totals for September 30, 2022

	Governmental Activities	Business-type Activities	Totals	
			2023	2022
Assets				
Cash and cash equivalents	\$ 4,678,594	\$ 3,146,100	\$ 7,824,694	\$ 8,302,505
Investments	79,149,120	20,852,213	100,001,333	89,956,789
Accounts receivables, net	8,485,921	4,162,219	12,648,140	11,164,395
Lease receivables	155,976	203,872	359,848	597,929
Internal balances	2,372,573	(2,372,573)	-	-
Inventories and prepaid expenses	263,894	245,825	509,719	443,295
Restricted assets				
Cash and cash equivalents	183,801	162,069	345,870	1,262,287
Investments	3,657,281	2,084,176	5,741,457	6,181,117
Total current assets	98,947,160	28,483,901	127,431,061	117,908,317
Land	63,995,754	564,612	64,560,366	63,842,182
Construction in progress	4,624,705	2,039,469	6,664,174	14,586,190
Depreciable, lease and subscription assets, net	82,026,325	48,349,722	130,376,047	125,109,530
Total noncurrent assets	150,646,784	50,953,803	201,600,587	203,537,902
Total assets	249,593,944	79,437,704	329,031,648	321,446,219
Deferred Outflows of Resources				
Deferred outflows related to pensions	14,367,605	2,549,390	16,916,995	3,595,644
Deferred outflows related to OPEB	3,635,536	924,272	4,559,808	4,389,183
Deferred loss on bond refunding	855,643	176,193	1,031,836	1,177,079
Total deferred outflows of resources	18,858,784	3,649,855	22,508,639	9,161,906
Total assets and deferred outflows of resources	\$ 268,452,728	\$ 83,087,559	\$ 351,540,287	\$ 330,608,125
Liabilities				
Accounts payable and accrued liabilities	\$ 4,798,630	\$ 1,223,676	6,022,306	\$ 6,906,425
Escrow deposits and unearned revenue	68,885	847,316	916,201	624,896
Customer deposits	-	2,109,582	2,109,582	1,995,061
Current portion of net OPEB liability	646,695	164,411	811,105	816,445
Current portion of long-term liabilities	7,954,003	1,103,906	9,057,909	7,989,757
Total current liabilities	13,468,213	5,448,891	18,917,103	18,332,584
Net pension liability	31,241,132	5,543,434	36,784,566	8,001,540
Net OPEB liability, net of current portion	12,287,198	3,123,812	15,411,011	15,512,460
Long-term liabilities, net of current portion	48,014,720	4,647,233	52,661,953	56,104,674
Total noncurrent liabilities	91,543,050	13,314,479	104,857,530	79,618,674
Total liabilities	105,011,263	18,763,370	123,774,633	97,951,258
Deferred Inflows of Resources				
Deferred inflows related to pensions	145,985	25,903	171,888	11,885,913
Deferred inflows related to OPEB	2,849,368	724,404	3,573,772	2,635,363
Deferred inflows related to leases	146,371	186,359	332,730	571,723
Deferred gain on refunding	124,835	-	124,835	132,026
Total deferred inflows of resources	3,266,559	936,666	4,203,225	15,225,025
Net Position				
Net investment in capital assets	105,576,298	46,021,443	151,597,741	152,014,262
Restricted for				
Debt service	1,155,936	-	1,155,936	1,133,524
Capital projects	26,439	-	26,439	13,920
Community development	7,788,120	-	7,788,120	7,015,656
Public safety	11,664,322	-	11,664,322	10,213,959
Municipal court	452,041	-	452,041	472,032
Parks	511,954	-	511,954	477,562
Traffic safety	302,297	-	302,297	428,419
Tourism, convention center, arts	2,551,662	-	2,551,662	2,163,695
Urban transit	3,423,793	-	3,423,793	2,777,295
Other	198,173	-	198,173	174,435
Unrestricted	26,523,871	17,366,080	43,889,951	40,547,083
Total net position	160,174,906	63,387,523	223,562,429	217,431,842
Total liabilities, deferred inflows of resources, and net position	\$ 268,452,728	\$ 83,087,559	\$ 351,540,287	\$ 330,608,125

City of Hurst, Texas
Statement of Activities
September 30, 2023 with Summarized
Totals for September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 7,937,133	\$ 420,541	\$ 1,159,588	\$ -
Public safety	33,012,865	1,858,676	-	-
Culture and recreation	11,800,248	1,092,777	1,201,414	-
Public works	4,736,648	958,482	-	226,376
Interest expense	1,432,656	-	-	-
Total governmental activities	58,919,550	4,330,476	2,361,002	226,376
Business-type Activities				
Water and sewer services	22,252,474	24,048,164	-	360,254
Stormwater services	1,223,552	1,122,971	-	39,804
Hurst Public Facility Corporation	8,429	170,079	-	-
Val Oaks	56,571	-	-	-
Conference and meeting center	3,646,018	3,596,871	-	-
Total business-type activities	27,187,044	28,938,085	-	400,058
Total primary government	\$ 86,106,594	\$ 33,268,561	\$ 2,361,002	\$ 626,434

General Revenues

Property taxes, penalty,
and interest
Sales taxes
Franchise taxes
Occupancy taxes
Investment earnings (losses)
Grants not restricted to specific programs
Miscellaneous
Transfers

Total general revenues and transfers

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	
		2023	2022
\$ (6,357,004)	\$ -	\$ (6,357,004)	\$ (2,349,041)
(31,154,189)	-	(31,154,189)	(22,955,971)
(9,506,057)	-	(9,506,057)	(10,130,369)
(3,551,790)	-	(3,551,790)	(4,139,429)
(1,432,656)	-	(1,432,656)	(1,476,018)
(52,001,696)	-	(52,001,696)	(41,050,828)
-	2,155,944	2,155,944	3,630,156
-	(60,777)	(60,777)	170,539
-	161,650	161,650	125,757
-	(56,571)	(56,571)	26,387
-	(49,147)	(49,147)	(71,097)
-	2,151,099	2,151,099	3,881,742
(52,001,696)	2,151,099	(49,850,597)	(37,169,086)
22,070,415	-	22,070,415	20,699,923
24,491,658	-	24,491,658	24,292,054
2,694,566	-	2,694,566	2,663,951
1,020,995	-	1,020,995	958,104
3,149,934	860,026	4,009,960	(923,799)
-	-	-	9,606,179
1,693,590	-	1,693,590	774,268
(146,750)	146,750	-	-
54,974,408	1,006,776	55,981,184	58,070,680
2,972,712	3,157,875	6,130,587	20,901,594
157,202,194	60,229,648	217,431,842	196,530,248
\$160,174,906	\$ 63,387,523	\$223,562,429	\$217,431,842

City of Hurst, Texas
Governmental Funds
Balance Sheet
September 30, 2023 with Summarized
Totals for September 30, 2022

	<u>Special Revenue Funds</u>		
	<u>General Fund</u>	<u>HCDC</u>	<u>Anti-Crime</u>
Assets			
Cash and cash equivalents	\$ 704,956	\$ 11,240	\$ 564,350
Investments	21,144,159	6,823,737	9,986,430
Receivables, net			
Taxes	2,276,784	1,043,042	1,037,081
Lease	155,976	-	-
Court	2,344,059	-	-
Other	1,169,312	45,695	75,388
Inventories and prepaid expenses	27,883	-	-
Due from other funds	7,994,561	-	-
	<u>35,817,690</u>	<u>7,923,714</u>	<u>11,663,249</u>
Total assets	<u>\$ 35,817,690</u>	<u>\$ 7,923,714</u>	<u>\$ 11,663,249</u>
Liabilities			
Accounts payable and accrued items	\$ 3,454,941	\$ 159,236	\$ 201,101
Escrow deposits payable and unearned revenue	68,885	-	-
Due to other funds	-	-	22,057
	<u>3,523,826</u>	<u>159,236</u>	<u>223,158</u>
Total liabilities	<u>3,523,826</u>	<u>159,236</u>	<u>223,158</u>
Deferred Inflows of Resources			
Lease related	146,371	-	-
Unavailable revenue	2,754,330	-	-
	<u>2,900,701</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>2,900,701</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable			
Inventory	27,883	-	-
Restricted	7,687,793	7,764,478	11,440,091
Assigned	22,907	-	-
Unassigned	21,654,580	-	-
	<u>29,393,163</u>	<u>7,764,478</u>	<u>11,440,091</u>
Total fund balances	<u>29,393,163</u>	<u>7,764,478</u>	<u>11,440,091</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,817,690</u>	<u>\$ 7,923,714</u>	<u>\$ 11,663,249</u>

See Notes to Financial Statements

Capital Projects Funds Special Projects	Nonmajor Governmental Funds	Totals	
		2023	2022
\$ -	\$ 199,266	\$ 1,479,812	\$ 3,114,941
28,099,347	4,867,292	70,920,965	63,493,658
-	24,470	4,381,377	4,367,364
-	-	155,976	168,509
-	-	2,344,059	1,934,349
404,107	19,641	1,714,143	1,267,562
-	-	27,883	1,883
-	-	7,994,561	-
<u>\$ 28,503,454</u>	<u>\$ 5,110,669</u>	<u>\$ 89,018,776</u>	<u>\$ 74,348,266</u>
\$ 99,914	\$ 107,099	\$ 4,022,291	\$ 3,505,808
-	-	68,885	70,418
6,882,961	1,089,543	7,994,561	-
<u>6,982,875</u>	<u>1,196,642</u>	<u>12,085,737</u>	<u>3,576,226</u>
-	-	146,371	163,076
-	20,777	2,775,107	2,246,306
-	20,777	2,921,478	2,409,382
-	-	27,883	1,883
-	3,893,250	30,785,612	29,492,554
21,520,579	-	21,543,486	17,841,179
-	-	21,654,580	21,027,042
<u>21,520,579</u>	<u>3,893,250</u>	<u>74,011,561</u>	<u>68,362,658</u>
<u>\$ 28,503,454</u>	<u>\$ 5,110,669</u>	<u>\$ 89,018,776</u>	<u>\$ 74,348,266</u>



City of Hurst, Texas
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
September 30, 2023

Total governmental fund balances	\$ 74,011,561
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital, lease, and subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds, excluding internal service funds capital, lease, and subscription assets.	147,409,186
Accrued interest on governmental activities debt is not reported in the funds until paid.	(178,721)
Certain revenue earned but unavailable and long-term receivables are deferred in the funds.	2,775,107
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, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds that are attributable to governmental activities are included in the government-wide financial statements.	19,205,194
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, excluding internal service funds other postemployment benefits and related deferred outflows and inflows of resources.	(11,689,120)
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, excluding pension related liabilities and related deferred outflows and inflows of resources.	(16,514,517)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds, excluding internal service funds compensated absences.	(7,356,219)
Tax notes, bonds payable, contractual obligations, lease, and subscription liabilities 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>(47,487,565)</u>
Net position of governmental activities	<u>\$ 160,174,906</u>

City of Hurst, Texas

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances Year Ended September 30, 2023 With Summarized Totals for Year Ended September 30, 2022

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>HCDC</u>	<u>Anti-Crime</u>
Revenues			
Taxes, penalty and interest	\$ 34,302,648	\$ 6,210,611	\$ 6,172,240
Licenses/permits	1,039,614	-	-
Support from governmental entities	1,159,588	-	-
Charges for services	2,286,995	-	-
Fines and fees	459,759	-	-
Investment earnings (losses)	1,141,458	233,719	360,497
Miscellaneous	442,251	3,939	3,320
	<u>40,832,313</u>	<u>6,448,269</u>	<u>6,536,057</u>
Total revenues			
Expenditures			
Current			
General government	3,505,570	-	-
Public safety	21,530,988	-	5,010,598
Culture and recreation	6,123,652	3,808,497	-
Public works	2,773,546	-	-
Capital outlay	716,041	648,524	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal agent fees	-	-	-
	<u>34,649,797</u>	<u>4,457,021</u>	<u>5,010,598</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>6,182,516</u>	<u>1,991,248</u>	<u>1,525,459</u>
Other Financing Sources (Uses)			
Issuance of debt	-	-	-
Premium on bond issuance	-	-	-
Leases issued	130,686	-	-
Subscriptions issued	284,915	-	-
Transfers in	342,307	6,000	35,874
Transfers out	(5,459,754)	(1,224,784)	-
	<u>(4,701,846)</u>	<u>(1,218,784)</u>	<u>35,874</u>
Total other financing sources (uses)			
Net Change in Fund Balances	1,480,670	772,464	1,561,333
Fund Balances, Beginning of Year	<u>27,912,493</u>	<u>6,992,014</u>	<u>9,878,758</u>
Fund Balances, End of Year	<u>\$ 29,393,163</u>	<u>\$ 7,764,478</u>	<u>\$ 11,440,091</u>

See Notes to Financial Statements

Capital Projects Funds Special Projects	Nonmajor Governmental Funds	Totals	
		2023	2022
\$ -	\$ 3,607,442	\$ 50,292,941	\$ 48,720,756
-	-	1,039,614	861,582
1,201,414	-	2,361,002	11,122,454
-	-	2,286,995	2,349,819
-	-	459,759	620,296
826,499	233,471	2,795,644	(638,873)
89,249	7,161	545,920	566,599
<u>2,117,162</u>	<u>3,848,074</u>	<u>59,781,875</u>	<u>63,602,633</u>
239,995	-	3,745,565	4,076,566
153,120	-	26,694,706	24,967,834
59,481	-	9,991,630	9,453,611
-	-	2,773,546	3,046,937
1,269,455	2,080,108	4,714,128	5,244,739
64,834	3,680,000	3,744,834	3,600,000
11,666	1,545,172	1,556,838	1,612,804
<u>1,798,551</u>	<u>7,305,280</u>	<u>53,221,247</u>	<u>52,002,491</u>
<u>318,611</u>	<u>(3,457,206)</u>	<u>6,560,628</u>	<u>11,600,142</u>
-	-	-	1,975,000
-	-	-	70,638
-	-	130,686	-
-	-	284,915	-
4,075,886	1,585,684	6,045,751	26,583,718
(688,539)	-	(7,373,077)	(28,151,359)
3,387,347	1,585,684	(911,725)	477,997
3,705,958	(1,871,522)	5,648,903	12,078,139
<u>17,814,621</u>	<u>5,764,772</u>	<u>68,362,658</u>	<u>56,284,519</u>
<u>\$ 21,520,579</u>	<u>\$ 3,893,250</u>	<u>\$ 74,011,561</u>	<u>\$ 68,362,658</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, 2023

Net change in fund balances - total governmental funds	\$ 5,648,903
Amounts reported for governmental funds in the statement of activities are different because:	
Change in revenues not considered available in the governmental funds.	528,801
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/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlays in the current year. This amount excludes \$970,367 of depreciation/amortization expense in the internal service funds.	
Capital outlay, including capital, lease and subscription expenditures	4,714,128
Depreciation/amortization	(8,413,458)
The net effect of various transactions involving capital assets (i.e. sales and contributions) is to increase or decrease net position.	250,122
Proceeds from leases and subscriptions issued are an other financing source in the funds, but a debt issuance increases long-term liabilities in the statement of net position.	(415,601)
Repayment of long-term debt, including bond refundings, leases, and subscriptions, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	3,744,834
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.	209,546
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.	(98,954)
Current year change in accrued interest payable requires the use of current financial resources; but it is not reported as an expense in the governmental-wide statement.	13,590
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.	(3,088,438)
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.	(507,112)
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.	(1,368,571)
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).	1,754,922
Change in net position of governmental activities	\$ 2,972,712

City of Hurst, Texas
Proprietary Funds
Statement of Net Position
September 30, 2023 with Summarized
Totals for September 30, 2022

	Business-type Activities				Totals	
	Conference & Meeting Center Fund	Stormwater Fund	Nonmajor Enterprise Funds			
	Water & Sewer			2023	2022	
Assets						
Current Assets						
Cash and cash equivalents	\$ 1,500,316	\$ 1,097,626	\$ 50,303	\$ 497,855	\$ 3,146,100	\$ 4,104,164
Investments	19,854,919	-	997,294	-	20,852,213	18,558,057
Accounts receivable (net of allowance for uncollectible accounts of \$50,005 in 2023 and \$9,069 in 2022)	3,564,717	66,549	133,296	-	3,764,562	3,408,168
Lease receivable	16,337	-	-	187,535	203,872	429,420
Other receivables	390,543	-	6,411	703	397,657	163,577
Due from other funds	-	-	-	-	-	114,392
Inventory of materials and supplies, at cost	189,979	30,738	-	-	220,717	211,855
Prepays and other assets	24,000	1,108	-	-	25,108	-
Restricted assets						
Cash and cash equivalents	162,069	-	-	-	162,069	514,845
Investments	2,084,176	-	-	-	2,084,176	2,019,655
Total current assets	<u>27,787,056</u>	<u>1,196,021</u>	<u>1,187,304</u>	<u>686,093</u>	<u>30,856,474</u>	<u>29,524,133</u>
Noncurrent Assets						
Capital assets	90,518,993	895,645	6,660,878	-	98,075,516	95,622,011
Subscription assets	-	-	-	-	-	-
Accumulated depreciation/amortization	(45,519,990)	(137,543)	(1,464,180)	-	(47,121,713)	(45,151,718)
Total noncurrent assets	<u>44,999,003</u>	<u>758,102</u>	<u>5,196,698</u>	<u>-</u>	<u>50,953,803</u>	<u>50,470,293</u>
Total assets	<u>72,786,059</u>	<u>1,954,123</u>	<u>6,384,002</u>	<u>686,093</u>	<u>81,810,277</u>	<u>79,994,426</u>
Deferred Outflows of Resources						
Deferred pension outflows	1,867,636	522,734	159,020	-	2,549,390	541,864
Deferred OPEB outflows	699,474	162,329	62,469	-	924,272	889,689
Deferred loss on bond refunding	176,193	-	-	-	176,193	215,291
Total deferred outflows of resources	<u>2,743,303</u>	<u>685,063</u>	<u>221,489</u>	<u>-</u>	<u>3,649,855</u>	<u>1,646,844</u>
Total assets and deferred outflows of resources	<u>\$ 75,529,362</u>	<u>\$ 2,639,186</u>	<u>\$ 6,605,491</u>	<u>\$ 686,093</u>	<u>\$ 85,460,132</u>	<u>\$ 81,641,270</u>
Liabilities						
Current Liabilities						
Accounts payable and accrued items	1,093,489	\$ 98,833	\$ 13,986	\$ -	\$ 1,206,308	\$ 2,739,136
Due to other funds	-	-	-	-	-	114,392
Unearned revenue	-	847,316	-	-	847,316	554,478
Current liabilities payable from restricted assets						
Accrued bond interest	17,368	-	-	-	17,368	20,483
Customer deposits	2,084,176	-	-	25,406	2,109,582	1,995,061
Current portion of net OPEB liability	124,424	28,875	11,112	-	164,411	165,493
Current portion of long-term liabilities	1,029,011	61,915	12,980	-	1,103,906	1,142,893
Total current liabilities	<u>4,348,468</u>	<u>1,036,939</u>	<u>38,078</u>	<u>25,406</u>	<u>5,448,891</u>	<u>6,731,936</u>
Net pension liability	4,061,016	1,136,643	345,775	-	5,543,434	1,205,831
Net OPEB liability, net of current portion	2,364,049	548,632	211,131	-	3,123,812	3,144,376
Long-term liabilities, net of current portion	4,579,377	56,096	11,760	-	4,647,233	5,432,560
Total long-term liabilities	<u>11,004,442</u>	<u>1,741,371</u>	<u>568,666</u>	<u>-</u>	<u>13,314,479</u>	<u>9,782,767</u>
Total liabilities	<u>15,352,910</u>	<u>2,778,310</u>	<u>606,744</u>	<u>25,406</u>	<u>18,763,370</u>	<u>16,514,703</u>
Deferred Inflows of Resources						
Lease related	15,689	-	-	170,670	186,359	408,647
Deferred pension inflows	18,976	5,311	1,616	-	25,903	1,791,208
Deferred OPEB inflows	548,217	127,226	48,961	-	724,404	534,188
Total deferred inflows of resources	<u>582,882</u>	<u>132,537</u>	<u>50,577</u>	<u>170,670</u>	<u>936,666</u>	<u>2,734,043</u>
Net Position (Deficit)						
Net investment in capital assets	40,066,643	758,102	5,196,698	-	46,021,443	44,943,007
Unrestricted (deficit)	19,526,927	(1,029,763)	751,472	490,017	19,738,653	17,449,517
Total net position (deficit)	<u>59,593,570</u>	<u>(271,661)</u>	<u>5,948,170</u>	<u>490,017</u>	<u>65,760,096</u>	<u>62,392,524</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 75,529,362</u>	<u>\$ 2,639,186</u>	<u>\$ 6,605,491</u>	<u>\$ 686,093</u>	<u>85,460,132</u>	<u>\$ 81,641,270</u>
Adjustment to net position to reflect the consolidation of internal service fund activities related to enterprise funds					(2,372,573)	
Net position of business-type activities					<u>\$ 63,387,523</u>	

See Notes to Financial Statements

**Governmental Activities-
Internal Service Funds**

<u>2023</u>	<u>2022</u>
\$ 3,382,583	\$ 1,830,842
11,885,436	12,066,536
-	-
-	-
46,342	23,375
-	-
71,011	64,557
165,000	165,000
-	-
-	-
<u>15,550,372</u>	<u>14,150,310</u>
14,398,499	14,016,225
1,307,498	-
<u>(12,468,399)</u>	<u>(11,498,032)</u>
<u>3,237,598</u>	<u>2,518,193</u>
<u>18,787,970</u>	<u>16,668,503</u>
426,308	90,610
137,250	132,115
-	-
<u>563,558</u>	<u>222,725</u>
<u>\$ 19,351,528</u>	<u>\$ 16,891,228</u>
\$ 597,618	\$ 448,687
-	-
-	-
-	-
-	-
24,414	24,574
135,963	29,105
<u>757,995</u>	<u>502,366</u>
926,971	201,639
463,871	466,924
<u>258,168</u>	<u>54,052</u>
<u>1,649,010</u>	<u>722,615</u>
<u>2,407,005</u>	<u>1,224,981</u>
-	-
4,332	299,525
<u>107,570</u>	<u>79,326</u>
<u>111,902</u>	<u>378,851</u>
2,943,802	2,518,193
<u>13,888,819</u>	<u>12,769,203</u>
<u>16,832,621</u>	<u>15,287,396</u>
<u>\$ 19,351,528</u>	<u>\$ 16,891,228</u>

City of Hurst, Texas
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended September 30, 2023 with Summarized
Totals for Year Ended September 30, 2022

	Business-type Activities				Totals	
	Water & Sewer	Conference & Meeting Center Fund	Stormwater Fund	Nonmajor Enterprise Funds	2023	2022
Operating Revenues						
Water and sewer services	\$ 23,500,311	\$ -	\$ -	\$ -	\$ 23,500,311	\$ 23,956,993
Storm drainage utility fee	-	-	1,091,057	-	1,091,057	1,096,603
Service fees	-	3,596,871	-	-	3,596,871	2,394,881
Other	547,853	-	31,914	170,079	749,846	690,962
Total operating revenues	<u>24,048,164</u>	<u>3,596,871</u>	<u>1,122,971</u>	<u>170,079</u>	<u>28,938,085</u>	<u>28,139,439</u>
Operating Expenses						
Personnel services	5,110,645	1,970,675	448,718	-	7,530,038	5,633,300
Contractual services	9,187,888	-	-	25,384	9,213,272	9,554,601
Repairs and maintenance	474,133	133,587	224,033	-	831,753	711,037
Materials and supplies	105,555	149,456	3,674	-	258,685	182,927
Depreciation and amortization	1,707,427	1,205	261,362	-	1,969,994	1,870,478
Indirect cost/street rental fees	3,905,501	-	109,525	-	4,015,026	3,977,732
Miscellaneous	1,385,388	1,391,095	176,240	39,616	2,992,339	2,388,039
Total operating expenses	<u>21,876,537</u>	<u>3,646,018</u>	<u>1,223,552</u>	<u>65,000</u>	<u>26,811,107</u>	<u>24,318,114</u>
Operating income (loss)	2,171,627	(49,147)	(100,581)	105,079	2,126,978	3,821,325
Nonoperating Revenues (Expenses)						
Investment earnings (loss)	808,915	-	34,649	16,462	860,026	(111,314)
Interest expense	(166,240)	-	-	-	(166,240)	(192,975)
Gain (loss) on sale of property and equipment	-	-	-	-	-	(22,436)
Total nonoperating revenues (expenses)	<u>642,675</u>	<u>-</u>	<u>34,649</u>	<u>16,462</u>	<u>693,786</u>	<u>(326,725)</u>
Income (loss) before contributions and transfers	2,814,302	(49,147)	(65,932)	121,541	2,820,764	3,494,600
Transfers In	119,000	348,062	4,500	-	471,562	2,672,185
Transfers Out	(324,812)	-	-	-	(324,812)	(1,326,526)
Capital Contributions	360,254	-	39,804	-	400,058	369,783
Change in Net Position	2,968,744	298,915	(21,628)	121,541	3,367,572	5,210,042
Net Position (Deficit), Beginning of Year	<u>56,624,826</u>	<u>(570,576)</u>	<u>5,969,798</u>	<u>368,476</u>	<u>62,392,524</u>	<u>57,182,482</u>
Net Position (Deficit), End of Year	<u>\$ 59,593,570</u>	<u>\$ (271,661)</u>	<u>\$ 5,948,170</u>	<u>\$ 490,017</u>	<u>\$ 65,760,096</u>	<u>\$ 62,392,524</u>
Adjustment to change in net position to reflect the consolidation of internal service fund activities related to enterprise funds					<u>(209,697)</u>	
Change in Net Position of Business-type Activities					<u>\$ 3,157,875</u>	

See Notes to Financial Statements

**Governmental Activities-
Internal Service Funds**

2023	2022
\$ -	\$ -
-	-
11,554,440	11,138,936
<u>1,147,670</u>	<u>193,719</u>
<u>12,702,110</u>	<u>11,332,655</u>
9,524,841	8,108,082
184,198	220,778
674,573	605,720
1,337,772	1,262,692
970,367	523,186
-	-
-	-
<u>12,691,751</u>	<u>10,720,458</u>
10,359	612,197
354,290	(173,612)
-	-
-	<u>13,950</u>
<u>354,290</u>	<u>(159,662)</u>
364,649	452,535
1,180,576	221,982
-	-
-	-
1,545,225	674,517
<u>15,287,396</u>	<u>14,612,879</u>
<u>\$ 16,832,621</u>	<u>\$ 15,287,396</u>

City of Hurst, Texas
Proprietary Funds
Statement of Cash Flows
Year Ended September 30, 2023 with Summarized
Totals for Year Ended September 30, 2022

	Business-type Activities				Totals	
	Water & Sewer	Conference & Meeting Center Fund	Stormwater Fund	Nonmajor Enterprise Funds	2023	2022
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 23,571,464	\$ 3,888,982	\$ 1,131,210	\$ 170,079	\$ 28,761,735	\$ 28,458,183
Receipts from interfund services provided	-	-	-	-	-	-
Payments to suppliers	(12,709,712)	(1,639,469)	(416,049)	(48,045)	(14,813,275)	(12,731,585)
Payments on behalf of employees	(4,595,617)	(1,831,340)	(394,503)	-	(6,821,460)	(6,148,434)
Payments for interfund services used	(3,791,109)	-	(223,917)	-	(4,015,026)	(3,863,340)
Net cash provided by operating activities	2,475,026	418,173	96,741	122,034	3,111,974	5,714,824
Cash Flows from Noncapital Financing Activities						
Transfers to other funds	-	-	-	-	-	(1,326,526)
Transfers from other funds	119,000	23,250	4,500	-	146,750	2,557,793
Net cash provided by noncapital financing activities	119,000	23,250	4,500	-	146,750	1,231,267
Cash Flows from Capital and Related Financing Activities						
Debt principal payments	(950,000)	-	-	-	(950,000)	(1,040,000)
Subscription liability payments	-	-	-	-	-	-
Interest paid on revenue bonds	(49,167)	-	-	-	(49,167)	(154,436)
Interest income	-	-	-	-	-	20,665
Purchases of property and equipment	(1,556,595)	(434,498)	(62,354)	-	(2,053,447)	(4,065,987)
Purchases of subscription assets	-	-	-	-	-	-
Proceeds from sale of property and equipment	-	-	-	-	-	(22,436)
Net cash used in capital and related financing activities	(2,555,762)	(434,498)	(62,354)	-	(3,052,614)	(5,262,194)
Cash Flows from Investing Activities						
Proceeds from sale/maturities of investments	18,889,775	-	776,316	-	19,666,091	3,337,346
Purchase of investments	(21,228,337)	-	(796,431)	-	(22,024,768)	(2,305,770)
Interest on investments, net	808,915	-	29,138	3,674	841,727	(127,587)
Net cash provided by (used in) investing activities	(1,529,647)	-	9,023	3,674	(1,516,950)	903,989
Net increase (decrease) in cash and cash equivalents	(1,491,383)	6,925	47,910	125,708	(1,310,840)	2,587,886
Cash and Cash Equivalents, Beginning of Year	3,153,768	1,090,701	2,393	372,147	4,619,009	2,031,123
Cash and Cash Equivalents, End of Year	\$ 1,662,385	\$ 1,097,626	\$ 50,303	\$ 497,855	\$ 3,308,169	\$ 4,619,009
Noncash Investing, Capital and Financing Activities						
Contributions of capital assets	\$ 360,254	\$ -	\$ 39,804	\$ -	\$ 400,058	\$ 369,783
Interfund transfer of capital assets	(324,812)	324,812	-	-	-	-
	35,442	324,812	39,804	-	400,058	369,783
Reconciliation to Statement of Net Position						
Cash and cash equivalents	1,500,316	1,097,626	50,303	497,855	3,146,100	4,104,164
Restricted cash and cash equivalents	162,069	-	-	-	162,069	514,845
	\$ 1,662,385	\$ 1,097,626	\$ 50,303	\$ 497,855	\$ 3,308,169	\$ 4,619,009

See Notes to Financial Statements

**Governmental Activities-
Internal Service Funds**

2023	2022
\$ 1,134,025	\$ 197,446
11,554,440	11,138,936
(2,077,864)	(2,115,428)
(9,369,528)	(8,170,928)
-	-
<u>1,241,073</u>	<u>1,050,026</u>
-	-
<u>1,180,576</u>	<u>221,982</u>
<u>1,180,576</u>	<u>221,982</u>
-	-
(155,347)	-
-	-
-	-
(539,574)	(959,080)
(701,055)	-
-	13,950
<u>(1,395,976)</u>	<u>(945,130)</u>
7,817,459	2,791,092
(7,636,359)	(3,662,323)
<u>344,968</u>	<u>(164,814)</u>
<u>526,068</u>	<u>(1,036,045)</u>
1,551,741	(709,167)
<u>1,830,842</u>	<u>2,540,009</u>
<u>\$ 3,382,583</u>	<u>\$ 1,830,842</u>
\$ -	\$ -
-	-
-	-
3,382,583	1,830,842
-	-
<u>\$ 3,382,583</u>	<u>\$ 1,830,842</u>

City of Hurst, Texas
Proprietary Funds
Statement of Cash Flows (Continued)
Year Ended September 30, 2023 with Summarized
Totals for Year Ended September 30, 2022

	Business-type Activities				Totals	
	Water & Sewer	Conference & Meeting Center Fund	Stormwater Fund	Non-major Enterprise Funds	2023	2022
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating income (loss)	\$ 2,171,627	\$ (49,147)	\$ (100,581)	\$ 105,079	\$ 2,126,978	\$ 3,821,325
Adjustments to reconcile operating income (loss) to net cash provided by operating activities						
Depreciation and amortization	1,707,427	1,205	261,362	-	1,969,994	1,870,478
Change in assets and deferred outflows						
Accounts receivable	(591,221)	(2,777)	8,239	-	(585,759)	168,633
Lease receivable	13,337	-	-	213,007	226,344	(430,919)
Other	-	-	-	12,788	12,788	-
Inventory of materials and supplies	110,311	(4,781)	-	-	105,530	(3,680)
Due to/from other funds	-	-	(114,392)	-	(114,392)	(669,347)
Prepays and other assets	(24,000)	(1,108)	-	-	(25,108)	6,651
Deferred pension outflows	(1,470,676)	(411,629)	(125,221)	-	(2,007,526)	(97,184)
Deferred OPEB outflows	(26,173)	(6,073)	(2,337)	-	(34,583)	(259,943)
Change in liabilities and deferred inflows						
Accounts payable and other	(1,528,667)	42,608	(2,172)	-	(1,488,231)	891,870
Customer deposits and unearned revenue	114,521	292,838	-	-	407,359	166,242
Net pension liability	3,177,646	889,395	270,562	-	4,337,603	(1,416,509)
Net OPEB liability	(16,381)	(3,802)	(1,463)	-	(21,646)	352,801
Deferred inflows - lease related	(13,448)	-	-	(208,840)	(222,288)	408,647
Deferred pension inflows	(1,293,229)	(361,964)	(110,112)	-	(1,765,305)	987,592
Deferred OPEB inflows	143,952	33,408	12,856	-	190,216	(81,833)
Net cash provided by operating activities	<u>\$ 2,475,026</u>	<u>\$ 418,173</u>	<u>\$ 96,741</u>	<u>\$ 122,034</u>	<u>\$ 3,111,974</u>	<u>\$ 5,714,824</u>

See Notes to Financial Statements

**Governmental Activities
Internal Service Funds**

2023		2022	
\$	10,359	\$	612,197
	-		-
	970,367		523,186
	(13,645)		3,727
	-		-
	-		-
	(6,454)		(17,080)
	-		-
	(335,698)		(16,250)
	(5,135)		(38,601)
	166,109		14,332
	-		-
	725,332		(236,867)
	(3,213)		52,387
	-		-
	(295,193)		165,145
	28,244		(12,150)
\$	1,241,073	\$	1,050,026

City of Hurst, Texas
Fiduciary Fund
Statement of Fiduciary Net Position
September 30, 2023 with Summarized
Totals for September 30, 2022

	OPEB Trust	
	2023	2022
Assets		
Investments		
Mutual funds - equity	\$ 3,775,164	\$ 4,467,684
Mutual funds - fixed income	2,623,419	3,104,661
Total assets	\$ 6,398,583	\$ 7,572,345
 Net Position		
Restricted for other postemployment benefits	\$ 6,398,583	\$ 7,572,345
Total net position	\$ 6,398,583	\$ 7,572,345

City of Hurst, Texas
Fiduciary Fund
Statement of Changes in Fiduciary Net Position
Year Ended September 30, 2023 with Summarized
Totals for Year Ended September 30, 2022

	OPEB Trust	
	2023	2022
Additions		
Contributions		
Employer	\$ 1,096,120	\$ 1,515,680
Investment income (loss)	<u>(1,173,762)</u>	<u>700,830</u>
Total additions (reductions)	(77,642)	2,216,510
Deductions		
Benefit payments	1,079,147	787,066
Administrative expenses	<u>16,973</u>	<u>16,188</u>
Total deductions	<u>1,096,120</u>	<u>803,254</u>
Change in net position	<u>(1,173,762)</u>	<u>1,413,256</u>
Net Position, Beginning of Year	<u>7,572,345</u>	<u>6,159,089</u>
Net Position, Ending of Year	<u><u>\$ 6,398,583</u></u>	<u><u>\$ 7,572,345</u></u>



City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

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, 2023

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, 2023

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.

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.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

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, Conference and Meeting Center Fund, and Stormwater 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.

The major proprietary funds are:

Water and Sewer Enterprise 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 and Meeting Center Fund: To account for the operations of the City's conference and meeting center. 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.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

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, 2022, the Plan's year-end, in accordance with GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB 74).

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.

City of Hurst, Texas
Notes to Basic Financial Statements
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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

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Lease Receivable

The City is a lessor for various noncancellable leases of its water towers and building space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

- The City uses the lessee's rate, or the rate disclosed in the agreement. If the rate is not readily available, the City uses its incremental borrowing rate as the discount rate.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

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.

Lease Liability

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

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

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

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

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

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

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.

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.

City of Hurst, Texas
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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, 2023.

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 and OPEB –These amounts represent the differences between expected and actual pension and OPEB 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.
- 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.

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.

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- Unavailable revenue – This amount represents uncollected property taxes, ambulance, 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.
- Leases – Represents the initial value of the lease receivable under GASB 87 systematically reduced and recognized as lease revenue over the term of the lease. This deferred inflow is recorded at both the fund level and government-wide financial statements.

Unearned Revenue

The funds report a liability, unearned revenue, in connection with resources that have been received, but not yet earned, which consists primarily of Conference & Meeting Center fees collected in advance for future meetings and events.

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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When both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance) are available for specified expenditures, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unassigned fund balance. Further, when the components of unassigned fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

A description of the purposes of the restricted, committed, and assigned governmental fund balances at September 30, 2023 and 2022, follows:

	2023				2022		
	General Fund	HCDC	Anti-Crime	Special Projects	Nonmajor Governmental Funds	Total Governmental Funds	Total Governmental Funds
Nonspendable	\$ 27,883	\$ -	\$ -	\$ -	\$ -	\$ 27,883	\$ 1,883
Restricted for							
Capital projects	-	-	-	-	2,737,314	2,737,314	4,635,977
Community development	23,642	7,764,478	-	-	-	7,788,120	7,015,656
Public safety	224,231	-	11,440,091	-	-	11,664,322	10,213,959
Debt service	-	-	-	-	1,155,936	1,155,936	1,133,524
Municipal court	452,041	-	-	-	-	452,041	472,032
Parks	511,954	-	-	-	-	511,954	477,562
Traffic safety	302,297	-	-	-	-	302,297	428,419
Tourism, convention center, arts	2,551,662	-	-	-	-	2,551,662	2,163,695
Urban transit	3,423,793	-	-	-	-	3,423,793	2,777,295
Other	198,173	-	-	-	-	198,173	174,435
Assigned							
Capital and special projects	-	-	-	21,520,579	-	21,520,579	17,814,621
Other	22,907	-	-	-	-	22,907	26,558
Unassigned	21,654,580	-	-	-	-	21,654,580	21,027,042
Total fund balance	<u>\$ 29,393,163</u>	<u>\$ 7,764,478</u>	<u>\$ 11,440,091</u>	<u>\$ 21,520,579</u>	<u>\$ 3,893,250</u>	<u>\$ 74,011,561</u>	<u>\$ 68,362,658</u>

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, lease, and subscription assets, net of accumulated depreciation/amortization, 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.

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

City of Hurst, Texas
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September 30, 2023

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the City's management to make estimates and assumptions that affect reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results may differ from those estimates.

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, 2022.

Adoption of New Accounting Standards

During fiscal year 2023, the City adopted the following GASB standards:

GASB Statement No. 91, *Conduit Debt Obligations*. This standard clarifies the definition of conduit debt and provides a single method of reporting these obligations (disclosure only). This standard provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The adoption of this standard had no impact on the City.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This standard addresses the gap in current accounting guidance related to public-private and public-public partnerships (both referred to as PPPs) that do not meet the definition of a service concession arrangement. The adoption of this standard had no impact on the City.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this standard establishes a single model for subscription-based information technology arrangements (SBITAs) accounting based on the principle that contracts are financings of the right to use an underlying information technology software asset. The standard requires recognition of certain right-to-use subscription assets and subscription liabilities. As a result of implementing this standard the City recognized right-to-use subscription assets and liabilities. The adoption of this standard had no impact on beginning net position. The additional disclosures required by this standard are included in *Note 6* and *Note 7*.

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Notes to Basic Financial Statements
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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, 2023. The City will evaluate the potential impact on the City’s net position.

Statement No.	Title	Adoption Required
100	<i>Accounting Changes and Error Corrections</i>	September 30, 2024
101	<i>Compensated Absences</i>	September 30, 2025
102	<i>Certain Risk Disclosures</i>	September 30, 2025

Note 2: 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, 2023, 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, 2023, were invested in TexPool, TexSTAR (Texas Short Term Asset Reserve program) and Texas CLASS.

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.

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

Investments in TexPool are carried at amortized cost, while TexSTAR and Texas CLASS are carried at net asset value.

City of Hurst, Texas
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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, 2023, and are as follows:

	Value	Weighted Average
Certificates of deposit	\$ 21,400,000	0.3
Investment pools	26,101,097	1.64
U.S. Treasury Obligations	36,523,457	0.31
Federal Agency Securities	21,718,236	0.56
Portfolio weighted average maturity	\$ 105,742,790	0.70

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. The OPEB Trust Fund investments are carried at fair value of \$6,398,583 as of December 31, 2022. 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. 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, 2022, all investments are registered in the name of the OPEB Plan’s custodian established through a master trust custodial agreement.

City of Hurst, Texas
Notes to Basic Financial Statements
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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

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, 2023:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
U.S. Treasury Securities	\$ 36,523,457	\$ 19,636,342	\$ 16,887,115	\$ -
U.S. Agency Securities	21,718,236	7,954,411	13,763,825	-
Investment in Master Trust	6,398,583	-	-	6,398,583
Total investments by fair value level	64,640,276	\$ 27,590,753	\$ 30,650,940	\$ 6,398,583
Investments Measured at Net Asset Value – TexSTAR	10,758,099			
Investments Measured at Net Asset Value – Texas Class	5,173,649			
Investments Measured at Amortized Cost – TexPool	10,169,349			
Non-negotiable Certificates of Deposit	21,400,000			
Total investments	\$ 112,141,373			

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.

City of Hurst, Texas
Notes to Basic Financial Statements
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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.

Note 3: 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 2023 levy is based is approximately \$4,884,543,363. 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, 2023, is \$0.614043 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, 2023, are approximately 99% of the tax levy.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

Note 4: Net Receivables

Net receivables consist of the following at September 30, 2023 and 2022:

	2023	2022
Governmental Activities		
Taxes receivable	\$ 4,296,462	\$ 4,283,534
Charges to users	2,344,059	1,934,349
Interest	550,879	130,540
Other	1,294,521	1,244,227
Total governmental activities net receivables	8,485,921	7,592,650
Business-type Activities		
Charges to users	3,764,515	3,421,786
Interest	233,638	52,364
Other	164,066	97,595
Total business-type activities net receivables	4,162,219	3,571,745
Total net receivables	\$ 12,648,140	\$ 11,164,395

The applicable allowance for doubtful accounts at September 30, 2023, included in the net receivables above is as follows:

\$434,082 for taxes receivable in the general fund and \$1,720,887 for other receivables in the general fund, which consists of court and ambulance billing, \$87,124 for taxes receivable in the debt service fund, and \$50,005 for charges to users in the water and sewer fund.

Note 5: Lease Receivable

The City leases a portion of its property to various companies who use the space to conduct their operations, the terms of which expire 2025 through 2044. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

The City recognized \$238,993 in lease revenue and \$21,088 in interest revenue during the current fiscal year related to this lease. As of September 30, 2023, the City's receivable for lease payments was \$359,848. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of September 30, 2023, the balance of the deferred inflow of resources was \$332,730.

City of Hurst, Texas
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The following is a schedule by year of minimum payments to be received under the City's leases that are included in the measurement of the lease receivable as of September 30, 2023:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 14,772	\$ 6,670	\$ 21,442
2025	17,363	5,944	23,307
2026	14,292	5,149	19,441
2027	4,155	4,829	8,984
2028	4,346	4,638	8,984
2029-2033	24,916	19,991	44,907
2034-2038	31,189	13,694	44,883
2039-2043	39,043	5,811	44,854
2044	5,900	78	5,978
Total	<u>\$ 155,976</u>	<u>\$ 66,804</u>	<u>\$ 222,780</u>

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 136,213	\$ 5,450	\$ 141,663
2025	43,665	1,651	45,316
2026	20,489	584	21,073
2027	3,505	7	3,511
Total	<u>\$ 203,872</u>	<u>\$ 7,692</u>	<u>\$ 211,563</u>

City of Hurst, Texas
Notes to Basic Financial Statements
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Note 6: Capital, Lease, and Subscription Assets

A summary of changes in governmental activities capital, lease, and subscription assets is as follows:

	Balance October 1, 2022 *	Additions	Disposals/ Reclassifications	Transfers	Balance September 30, 2023
Capital Assets Not Being Depreciated					
Land	\$ 63,277,570	\$ -	\$ -	\$ 718,184	\$ 63,995,754
Construction in progress	12,339,927	4,491,105	-	(12,206,327)	4,624,705
	<u>75,617,497</u>	<u>4,491,105</u>	<u>-</u>	<u>(11,488,143)</u>	<u>68,620,459</u>
Capital, Lease, and Subscription Assets Being Depreciated/Amortized					
Buildings and improvements	95,796,282	-	-	8,593,751	104,390,033
Improvements other than buildings	165,403,604	226,526	-	1,333,567	166,963,697
Machinery and equipment	34,709,515	253,557	-	987,400	35,950,472
Leased equipment	-	167,487	-	-	167,487
Subscription assets	758,122	1,066,203	-	573,425	2,397,750
Total depreciable	<u>296,667,523</u>	<u>1,713,773</u>	<u>-</u>	<u>11,488,143</u>	<u>309,869,439</u>
Less Accumulated Depreciation/Amortization for					
Buildings and improvements	(50,438,435)	(3,848,004)	-	-	(54,286,439)
Improvements other than buildings	(138,751,867)	(3,175,344)	-	-	(141,927,211)
Machinery and equipment	(29,268,987)	(1,790,234)	-	-	(31,059,221)
Leased equipment	-	(25,123)	-	-	(25,123)
Subscription assets	-	(545,120)	-	-	(545,120)
Total accumulated depreciation/amortization	<u>(218,459,289)</u>	<u>(9,383,825)</u>	<u>-</u>	<u>-</u>	<u>(227,843,114)</u>
Total depreciable - net	<u>78,208,234</u>	<u>(7,670,052)</u>	<u>-</u>	<u>11,488,143</u>	<u>82,026,325</u>
Governmental activities capital, lease, and subscription assets, net	<u>\$ 153,825,731</u>	<u>\$ (3,178,947)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,646,784</u>

* Beginning fiscal year 2022 amounts have been restated for GASB 96, *Subscription-Based Information Technology Arrangements*

	Balance October 1, 2021	Additions	Disposals/ Reclassifications	Transfers	Balance September 30, 2022 *
Capital Assets Not Being Depreciated					
Land	\$ 59,579,846	\$ -	\$ -	\$ 3,697,724	\$ 63,277,570
Construction in progress	13,904,015	5,807,502	-	(7,371,590)	12,339,927
	<u>73,483,861</u>	<u>5,807,502</u>	<u>-</u>	<u>(3,673,866)</u>	<u>75,617,497</u>
Capital Assets Being Depreciated					
Buildings and improvements	93,904,702	-	-	1,891,580	95,796,282
Improvements other than buildings	164,993,938	42,232	-	367,434	165,403,604
Machinery and equipment	33,474,354	286,863	(466,554)	1,414,852	34,709,515
Total depreciable	<u>292,372,994</u>	<u>329,095</u>	<u>(466,554)</u>	<u>3,673,866</u>	<u>295,909,401</u>
Less Accumulated Depreciation for					
Buildings and improvements	(47,144,444)	(3,293,991)	-	-	(50,438,435)
Improvements other than buildings	(135,467,575)	(3,284,292)	-	-	(138,751,867)
Machinery and equipment	(28,036,505)	(1,699,036)	466,554	-	(29,268,987)
Total accumulated depreciation	<u>(210,648,524)</u>	<u>(8,277,319)</u>	<u>466,554</u>	<u>-</u>	<u>(218,459,289)</u>
Total depreciable - net	<u>81,724,470</u>	<u>(7,948,224)</u>	<u>-</u>	<u>3,673,866</u>	<u>77,450,112</u>
Governmental activities capital assets, net	<u>\$ 155,208,331</u>	<u>\$ (2,140,722)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,067,609</u>

* Ending fiscal year 2022 amounts have not been restated for GASB 96, *Subscription-Based Information Technology Arrangements*

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

	2023	2022
Governmental Activities		
General government	\$ 1,056,197	\$ 1,294,309
Public safety	4,304,651	1,794,953
Culture and recreation	1,520,974	2,251,680
Public works	1,531,636	2,413,191
Fleet	334,519	286,610
Information services	635,848	236,576
Total governmental activities depreciation and amortization expense	\$ 9,383,825	\$ 8,277,319

Depreciation/amortization on capital, lease, and subscription 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, 2023:

	Project Authorization	Expended Through September 30, 2023	Committed September 30, 2023
Community Services Improvements	\$ 1,120,490	\$ 376,849	\$ 743,641
Street Improvements	6,598,938	3,863,937	2,735,001
Other	795,750	383,919	411,831
Total	\$ 8,515,178	\$ 4,624,705	\$ 3,890,473

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

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

A summary of changes in business-type capital assets follows:

	Balance October 1, 2022	Additions	Disposals/ Reclassifications	Transfers	Balance September 30, 2023
Capital Assets Not Being Depreciated					
Land	\$ 564,612	\$ -	\$ -	\$ -	\$ 564,612
Construction in progress	2,246,263	1,392,555	-	(1,599,349)	2,039,469
	<u>2,810,875</u>	<u>1,392,555</u>	<u>-</u>	<u>(1,599,349)</u>	<u>2,604,081</u>
Capital Assets Being Depreciated					
Utility plant in service	87,786,466	636,451	-	1,567,402	89,990,319
Buildings and improvements	755,227	424,498	-	10,000	1,189,725
Machinery and equipment	4,269,444	-	-	21,947	4,291,391
Total depreciable	<u>92,811,137</u>	<u>1,060,949</u>	<u>-</u>	<u>1,599,349</u>	<u>95,471,435</u>
Less Accumulated Depreciation for					
Utility plant in service	(41,244,423)	(1,786,158)	-	-	(43,030,581)
Buildings and improvements	(376,022)	(26,381)	-	-	(402,403)
Machinery and equipment	(3,531,274)	(157,455)	-	-	(3,688,729)
Total accumulated depreciation	<u>(45,151,719)</u>	<u>(1,969,994)</u>	<u>-</u>	<u>-</u>	<u>(47,121,713)</u>
Total depreciable - net	<u>47,659,418</u>	<u>(909,045)</u>	<u>-</u>	<u>1,599,349</u>	<u>48,349,722</u>
Business-type activities capital assets, net	<u>\$ 50,470,293</u>	<u>\$ 483,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,953,803</u>

	Balance October 1, 2021	Additions	Disposals/ Reclassifications	Transfers	Balance September 30, 2022
Capital Assets Not Being Depreciated					
Land	\$ 564,612	\$ -	\$ -	\$ -	564,612
Construction in progress	1,158,744	2,806,730	(1,719,211)	-	2,246,263
	<u>1,723,356</u>	<u>2,806,730</u>	<u>(1,719,211)</u>	<u>-</u>	<u>2,810,875</u>
Capital Assets Being Depreciated					
Utility plant in service	84,477,196	1,629,040	1,680,230	-	87,786,466
Buildings and improvements	755,227	-	-	-	755,227
Machinery and equipment	4,230,463	-	38,981	-	4,269,444
Total depreciable	<u>89,462,886</u>	<u>1,629,040</u>	<u>1,719,211</u>	<u>-</u>	<u>92,811,137</u>
Less Accumulated Depreciation for					
Utility plant in service	(39,638,040)	(1,606,383)	-	-	(41,244,423)
Buildings and improvements	(350,848)	(25,174)	-	-	(376,022)
Machinery and equipment	(3,292,353)	(238,921)	-	-	(3,531,274)
Total accumulated depreciation	<u>(43,281,241)</u>	<u>(1,870,478)</u>	<u>-</u>	<u>-</u>	<u>(45,151,719)</u>
Total depreciable - net	<u>46,181,645</u>	<u>(241,438)</u>	<u>-</u>	<u>-</u>	<u>47,659,418</u>
Business-type activities capital assets, net	<u>\$ 47,905,001</u>	<u>\$ 2,565,292</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,470,293</u>

Construction in progress consists of the following at September 30, 2023:

	Project Authorization	Expended Through September 30, 2023	Committed as of September 30, 2023
Water	\$ 2,377,387	\$ 1,939,199	\$ 438,188
Sewer	1,582,500	73,520	1,508,980
Other	35,800	26,750	9,050
Total	<u>\$ 3,995,687</u>	<u>\$ 2,039,469</u>	<u>\$ 1,956,218</u>

City of Hurst, Texas
Notes to Basic Financial Statements
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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, 2023 and 2022:

	Balance October 1, 2022 *	Additions	Reductions	Balance September 30, 2023	Current Portion
Governmental Activities					
Bonds payable and premiums					
General obligation bonds	\$ 33,970,000	\$ -	\$ (2,620,000)	\$ 31,350,000	\$ 2,480,000
Certificates of obligation	14,335,000		(805,000)	13,530,000	830,000
Loan from Direct Borrowing	415,000	-	(80,000)	335,000	80,000
Tax Notes	355,000	-	(175,000)	180,000	180,000
Premium	2,373,173	-	(209,546)	2,163,627	207,983
Lease liabilities	-	130,686	-	130,686	30,685
Subscription liabilities	758,122	284,915	(220,181)	822,856	233,204
Total long-term debt	<u>52,206,295</u>	<u>415,601</u>	<u>(4,109,727)</u>	<u>48,512,169</u>	<u>4,041,872</u>
Compensated absences	6,070,805	4,167,726	(2,781,977)	7,456,554	3,912,131
Governmental Activities					
Long-term liabilities	<u>\$ 58,277,100</u>	<u>\$ 4,583,327</u>	<u>\$ (6,891,704)</u>	<u>\$ 55,968,723</u>	<u>\$ 7,954,003</u>

* Beginning fiscal year 2022 amounts have been restated for GASB 96, *Subscription-Based Information Technology Arrangements*

	Balance October 1, 2021	Additions	Reductions	Balance September 30, 2022 *	Current Portion
Governmental Activities					
Bonds payable and premiums					
General obligation bonds	\$ 36,605,000	\$ -	\$ (2,635,000)	\$ 33,970,000	\$ 2,620,000
Certificates of obligation	13,075,000	1,975,000	(715,000)	14,335,000	805,000
Sales tax revenue bonds	495,000	-	(80,000)	415,000	80,000
Tax Notes	525,000	-	(170,000)	355,000	175,000
Premium	2,529,586	70,638	(227,051)	2,373,173	206,014
Total long-term debt payable	<u>53,229,586</u>	<u>2,045,638</u>	<u>(3,827,051)</u>	<u>51,448,173</u>	<u>3,886,014</u>
Compensated absences	6,338,489	2,267,712	(2,535,396)	6,070,805	2,960,850
Governmental Activities					
Long-term liabilities	<u>\$ 59,568,075</u>	<u>\$ 4,313,350</u>	<u>\$ (6,362,447)</u>	<u>\$ 57,518,978</u>	<u>\$ 6,846,864</u>

* Ending fiscal year 2022 amounts have not been restated for GASB 96, *Subscription-Based Information Technology Arrangements*

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023	Current Portion
Business-type Activities					
Bonds payable and premiums					
General obligation bonds	\$ 4,050,000	\$ -	\$ (835,000)	\$ 3,215,000	\$ 700,000
Certificates of obligation	1,925,000	-	(115,000)	1,810,000	115,000
Premium	282,422	-	(36,800)	245,622	36,800
Total bonds payable	<u>6,257,422</u>	<u>-</u>	<u>(986,800)</u>	<u>5,270,622</u>	<u>851,800</u>
Compensated absences	318,031	733,529	(571,043)	480,517	252,106
Business-type Activities					
Long-term liabilities	<u>\$ 6,575,453</u>	<u>\$ 733,529</u>	<u>\$ (1,557,843)</u>	<u>\$ 5,751,139</u>	<u>\$ 1,103,906</u>

	Balance October 1, 2021	Additions	Reductions	Balance September 30, 2022	Current Portion
Business-type Activities					
Bonds payable and premiums					
General obligation bonds	\$ 4,975,000	\$ -	\$ (925,000)	\$ 4,050,000	\$ 755,000
Certificates of obligation	2,040,000	-	(115,000)	1,925,000	195,000
Premium	335,271	-	(52,849)	282,422	36,800
Total bonds payable	<u>7,350,271</u>	<u>-</u>	<u>(1,092,849)</u>	<u>6,257,422</u>	<u>986,800</u>
Compensated absences	268,466	168,767	(119,202)	318,031	156,093
Business-type Activities					
Long-term liabilities	<u>\$ 7,618,737</u>	<u>\$ 168,767</u>	<u>\$ (1,212,051)</u>	<u>\$ 6,575,453</u>	<u>\$ 1,142,893</u>

City of Hurst, Texas
Notes to Basic Financial Statements
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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.

Governmental Activities

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

	Outstanding	Due Next Year
Certificates of Obligation		
\$7,355,000 Series 2014 Certificates of Obligation due in installments of \$265,000 to \$495,000 through August 2034, interest at 3.00% to 3.75%	\$ 4,590,000	\$ 350,000
\$3,750,000 Series 2015 Certificates of Obligation due in installments of \$95,000 to \$185,000 through August 2035, plus interest at 2.00% to 4.00%	1,795,000	120,000
\$4,905,000 Series 2016 Certificates of Obligation due in installments of \$175,000 to \$345,000 through August 2036, interest at 2.00% to 4.00%	3,580,000	215,000
\$1,950,000 Series 2019 Certificates of Obligation due in installments of \$70,000 to \$125,000 through August 2038, interest at 3.00%	1,650,000	80,000
\$1,975,000 Series 2022 Certificates of Obligation due in installments of \$60,000 to \$100,000 through August 2033, interest at 4.00% to 5.00%	<u>1,915,000</u>	<u>65,000</u>
Certificates of obligation	<u>\$ 13,530,000</u>	<u>\$ 830,000</u>

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

	Outstanding	Due Next Year
General Obligation		
\$5,705,000 Series 2013 General Obligation Refunding Bonds due in annual installments of \$290,000 to \$585,000 through August 2026, interest at 2.00% to 3.50%	\$ 1,615,000	\$ 570,000
\$4,915,000 Series 2015 General Obligation Refunding Bonds due in annual installments of \$10,000 to \$370,000 through August 2027, interest at 2.00% to 4.00%	1,420,000	340,000
\$1,345,000 Series 2016 General Obligation Refunding Bonds due in annual installments of \$5,000 to \$160,000 through September 2028, interest at 2.00% to 4.00%	735,000	135,000
\$4,945,000 Series 2016 General Obligation Refunding Bonds due in annual installments of \$15,000 to \$340,000 through September 2038, interest at 2.00% to 4.00%	4,000,000	205,000
\$4,950,000 Series 2016 General Obligation Refunding Bonds due in annual installments of \$15,000 to \$340,000 through September 2038, interest at 2.00% to 4.00%	4,000,000	205,000
\$1,500,000 Series 2017 General Obligation Refunding Bonds due in annual installments of \$15,000 to \$190,000 through August 2029, interest at 2.190%	980,000	170,000
\$7,225,000 Series 2019 General Obligation Bonds due in annual installments of \$250,000 to \$470,000 through August 2039, interest at 2.5% to 4.5%	6,155,000	295,000
\$13,350,000 Series 2021 General Obligation Bonds due in annual installments of \$130,000 to \$800,000 through September 2042, interest at .22% to 2.83%	12,445,000	560,000
General obligation	\$ 31,350,000	\$ 2,480,000

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

Business-type Activities

	Outstanding	Due Next Year
Certificates of Obligation		
\$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%	\$ 770,000	\$ 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%	1,040,000	65,000
Total certificates of obligation	\$ 1,810,000	\$ 115,000
General Obligation Refunding Bonds		
\$2,125,000 Series 2013 General Obligation Refunding Bonds due in annual installments of \$160,000 to \$315,000 through August 2026, interest at 2.00% to 3.50%	\$ 390,000	\$ 190,000
\$4,915,000 Series 2015 General Obligation Refunding Bonds due in annual installments of \$5,000 to \$160,000 through August 2027, interest at 2.00% to 4.00%	590,000	135,000
\$1,070,000 Series 2016 General Obligation Refunding Bonds due in annual installments of \$90,000 to \$125,000 through September 2028, interest at 2.00% to 4.00%	580,000	105,000
\$2,350,000 Series 2017 General Obligation Refunding Bonds due in annual installments of \$25,000 to \$285,000 through August 2029, interest of 2.190%	1,655,000	270,000
Total general obligation bonds	\$ 3,215,000	\$ 700,000

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

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, 2023, are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 3,570,000	\$ 1,429,768	\$ 815,000	\$ 138,947
2025	3,500,000	1,320,744	855,000	114,296
2026	3,465,000	1,210,937	665,000	88,134
2027	3,090,000	1,106,823	690,000	69,761
2028	2,410,000	1,008,146	520,000	49,282
2029-2033	13,095,000	3,807,489	955,000	119,014
2034-2038	12,060,000	1,701,517	525,000	26,086
2039-2043	4,205,000	288,667	-	-
Total	\$ 45,395,000	\$ 11,874,091	\$ 5,025,000	\$ 605,520

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, 2023 is \$335,000.

Lease Liability

The City leases equipment to conduct its operations, the term of which expires 2027. The measurement of the lease payables is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

An initial lease liability was recorded in the amount of \$130,686 during fiscal year 2023. As of September 30, 2023, the value of the lease liabilities was \$130,686. An incremental borrowing rate of 5 percent was used to measure the lease liabilities. The value of the right-to-use assets as of September 30, 2023 was \$167,487 and had accumulated amortization of \$25,123.

City of Hurst, Texas
Notes to Basic Financial Statements
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The future principal and interest payments for lease liabilities as of September 30, 2023, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total Requirements
2024	\$ 30,685	\$ 6,116	\$ 36,801
2025	31,685	5,116	36,801
2026	33,306	3,495	36,801
2027	<u>35,010</u>	<u>1,791</u>	<u>36,801</u>
Total	<u>\$ 130,686</u>	<u>\$ 16,518</u>	<u>\$ 147,204</u>

Subscription Liability

The City has subscription IT arrangements to conduct its operations, the terms of which expire 2024 through 2027. The measurement of the subscription liabilities is based on the present value of subscription payments expected to be paid during the subscription term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any subscription incentives payable.

At September 30, 2023, the value of the subscription liabilities was \$822,856. An incremental borrowing rate of 5 percent was used to measure subscription liabilities. The value of the right-to-use subscription assets as of September 30, 2023, was \$2,397,750 and had accumulated amortization of \$545,120.

The future principal and interest payments for subscription liabilities as of September 30, 2023, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total Requirements
2024	\$ 233,204	\$ 33,958	\$ 267,162
2025	220,967	22,698	243,665
2026	217,275	11,667	228,942
2027	<u>151,410</u>	<u>790</u>	<u>152,200</u>
Total	<u>\$ 822,856</u>	<u>\$ 69,113</u>	<u>\$ 891,969</u>

City of Hurst, Texas
Notes to Basic Financial Statements
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Note 8: Defined Benefit Pension Plan

Plan Description: The City participates as one of approximately 928 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

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

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

At retirement, the Member's benefit is calculated as if the sum of the Member's contributions, with interest, and the City-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

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.

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

Inactive employees or beneficiaries currently receiving benefits	322
Inactive employees entitled to but not yet receiving benefits	247
Active employees	336
	905

City of Hurst, Texas
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Contributions: Member contribution rates in TMRS are either 5%, 6%, or 7% of the Member's total compensation, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City of Hurst were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City of Hurst were 11.45% and 11.88% in calendar years 2023 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$3,371,871 and were equal to the required contributions.

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

Actuarial Assumptions: The total pension liability in the December 31, 2022, 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 are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019, actuarial valuation. The post-retirement mortality assumption for 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.

City of Hurst, Texas
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September 30, 2023

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 in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global equity	35.00%	7.70%
Core fixed income	6.00%	4.90%
Non-core fixed income	20.00%	8.70%
Public and private markets	12.00%	8.10%
Real estate	12.00%	5.80%
Hedge funds	5.00%	6.90%
Private equity	<u>10.00%</u>	11.80%
Total	<u><u>100.00%</u></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 Member 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 Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Hurst, Texas
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September 30, 2023

Changes in the Net Pension Liability	Total Pension Liability (a)	Plan Fiduciary Assets (b)	Net Pension Liability (a) - (b)
Balance at October 1, 2022	\$196,512,629	\$188,511,089	\$ 8,001,540
Changes for the year			
Service cost	4,564,693	-	4,564,693
Interest	13,074,546	-	13,074,546
Difference between expected and actual experience	2,915,041	-	2,915,041
Contributions – employer	-	3,453,934	(3,453,934)
Contributions – employee	-	2,032,958	(2,032,958)
Net investment income	-	(13,738,655)	13,738,655
Benefit payments, including refunds of employee contributions	(10,196,006)	(10,196,006)	-
Administrative expense	-	(119,076)	119,076
Other changes	-	142,093	(142,093)
Net changes	<u>10,358,274</u>	<u>(18,424,752)</u>	<u>28,783,026</u>
Balance at September 30, 2023	<u>\$206,870,903</u>	<u>\$170,086,337</u>	<u>\$ 36,784,566</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) 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	<u>\$ 63,626,301</u>	<u>\$ 36,784,566</u>	<u>\$ 14,541,799</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended September 30, 2023, the City recognized pension expense of \$7,119,519.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,777,052	\$ 171,888
Changes of assumptions	44,701	-
Net difference between projected and actual earnings on pension plan investments	11,657,170	-
Contributions subsequent to the measurement date	2,438,072	-
Total	\$ 16,916,995	\$ 171,888

\$2,438,072 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30.	Net Deferred Outflows/ (Inflows) of Resources
2024	\$ 1,330,570
2025	3,752,486
2026	3,931,350
2027	5,292,629
Total	\$ 14,307,035

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

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, 2023, the respective interfund balances follow:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 7,994,561	\$ -
Anti-crime Special Revenue Fund	-	22,057
Special Projects Capital Projects Fund	-	6,882,961
Nonmajor Governmental funds	-	1,089,543
	<u>\$ 7,994,561</u>	<u>\$ 7,994,561</u>

A summary of interfund transfers for the year ended September 30, 2023, follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 342,307	\$ 5,459,754
HCDC Special Revenue Fund	6,000	1,224,784
Anti-crime Special Revenue Fund	35,874	-
Special Projects Capital Projects Fund	4,075,886	688,539
Nonmajor governmental funds	1,585,684	-
Water and Sewer Enterprise Fund	119,000	324,812
Conference and Meeting Center Fund	348,062	-
Stormwater Fund	4,500	-
Internal service funds	1,180,576	-
	<u>\$ 7,697,889</u>	<u>\$ 7,697,889</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 \$1,012,287 to the Internal Service Funds to supplement the health care reserve and for the purchase of equipment.

The Special Projects fund transferred \$168,288 to the Internal Service Funds for the purchase of vehicles and reimbursement of the annual lump sum payment.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

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 \$5,642,640 in 2023 and \$5,394,604 in 2022 and are reflected as reductions of expenditures in the General Fund and as expenses in the proprietary fund types.

Note 11: 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.

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 12: 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.

City of Hurst, Texas
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September 30, 2023

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.

Changes in the Funds' claims liability amount and administrative service amounts in fiscal years 2023 and 2022 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>
Loss Reserve Fund					
2021-2022	\$ 339,792	\$ 7,691,927	Claims	\$ 5,830,582	\$ 289,946
			ASO	\$ 1,231,607	
2022-2023	\$ 289,946	\$ 8,317,601	Claims	\$ 6,618,970	\$ 338,534
			ASO	\$ 1,650,043	
General Fund – General Liability					
2021-2022	\$ 100,000	\$ -		\$ -	\$ 100,000
2022-2023	\$ 100,000	\$ -		\$ -	\$ 100,000

Note 13: 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.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

The plan does not issue a stand-alone financial report. For inquiries relating to the plan, please contact: The City Finance Office at 1505 Precinct Line Road, Hurst, Texas, 76054. 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.

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.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

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.

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, 2022, was used for the September 30, 2023, liability and expense. The information that follows was determined as of a valuation date of December 31, 2021.

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	163
Active employees	335
Total employees	498

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 on the following page.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

Investment Policy

The plan's policy in regard to the allocation of invested assets is established by the City. The current asset allocation policy for the plan year ended December 31, 2022, is as follows:

Asset Class	Target Allocation
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 plan year ended December 31, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (15.23) %. 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 \$16,222,116 (\$12,933,893 governmental activities and \$3,288,223 business-type activities) was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions: The total OPEB liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	5.17% as of December 31, 2022 (4.30% as of December 31, 2021)
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 13 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%.

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Notes to Basic Financial Statements
September 30, 2023

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 2050.

At the December 31, 2022 measurement date, the expected rate of return on OPEB plan investments is 6.50%; the municipal bond rate is 4.05% (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 5.17%.

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)
Balance at December 31, 2021	\$ 23,901,250	\$ 7,572,345	\$ 16,328,905
Changes for the year:			
Service cost	871,388	-	871,388
Interest	1,023,287	-	1,023,287
Difference between expected and actual experience	165,531	-	165,531
Changes of assumptions	(2,261,610)	-	(2,261,610)
Contributions – employer		1,096,120	(1,096,120)
Net investment income	-	(1,173,762)	1,173,762
Benefit payments	(1,079,147)	(1,079,147)	-
Administrative expense	-	(16,973)	16,973
	<u>(1,280,551)</u>	<u>(1,173,762)</u>	<u>(106,789)</u>
Balance at December 31, 2022	<u>\$ 22,620,699</u>	<u>\$ 6,398,583</u>	<u>\$ 16,222,116</u>

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

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 5.17%. The following presents the net OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	1% Decrease in Discount Rate (4.17%)	Current Discount Rate Assumption	1% Increase in Discount Rate (6.17%)
Net OPEB liability	<u>\$ 18,846,593</u>	<u>\$ 16,222,116</u>	<u>\$ 13,946,641</u>

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.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Net OPEB liability	<u>\$ 14,247,402</u>	<u>\$ 16,222,116</u>	<u>\$ 18,578,680</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2023, the City recognized OPEB expense of \$1,487,147. At September 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,068,510	\$ 1,607,585
Changes of assumptions	1,875,143	1,966,187
Net difference between projected and actual earnings on OPEB investments	958,625	-
Contributions subsequent to the measurement date	<u>657,530</u>	<u>-</u>
Total	<u>\$ 4,559,808</u>	<u>\$ 3,573,772</u>

Contributions subsequent to the measurement date of \$657,530 will be recognized as a reduction of the net OPEB liability in the year ending September 30, 2024.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2023

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

Year Ended September 30,	Net Deferred Outflows/ (Inflows) of Resources
2024	\$ (12,177)
2025	7,134
2026	57,980
2027	450,258
2028	112,746
Thereafter	(287,435)
Total	\$ 328,506

Note 14: Deferred Compensation Plan – 457(b) Plan

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

Note 15: Tax Abatement

As of September 30, 2023, 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, 2023

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, there is 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 four 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 fiscal year 2023, the City of Hurst rebated (abated) \$462,678 in property and sales taxes. The table below summarizes the tax sharing agreements in place for fiscal year 2023.

Company	% of Property Taxes Abated	% of Sales Taxes Abated	% of Hotel Occupancy Taxes Abated	Total Taxes Abated
Hurst One, LLC	50%	70%	N/A	\$ 147,018
CN Churchill IV LLC	80%	0%	80/75%	\$ 287,772
EREP Sprouts Crossing I, LLC	50%	0%	N/A	\$ 27,888

Of the four active 380 agreements, the City did not rebate any taxes 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							
	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability								
Service cost	\$ 3,659,696	\$ 3,973,289	\$ 4,106,510	\$ 4,141,532	\$ 4,294,773	\$ 4,355,601	\$ 4,299,817	\$ 4,564,693
Interest (on the Total Pension Liability)	10,074,733	10,295,405	10,751,911	11,221,017	11,603,397	12,112,003	12,540,609	13,074,546
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(346,324)	502,382	764,482	(778,214)	635,990	(484,413)	926,422	2,915,041
Change of assumptions	2,268,583	-	-	-	286,317	-	-	-
Benefit payments, including refunds of employee contributions	<u>(6,870,568)</u>	<u>(7,556,886)</u>	<u>(8,592,383)</u>	<u>(8,789,026)</u>	<u>(9,203,080)</u>	<u>(9,428,922)</u>	<u>(9,782,223)</u>	<u>(10,196,006)</u>
Net Change in Total Pension Liability	8,786,120	7,214,190	7,030,520	5,795,309	7,617,397	6,554,269	7,984,625	10,358,274
Total Pension Liability - Beginning	<u>145,530,199</u>	<u>154,316,319</u>	<u>161,530,509</u>	<u>168,561,029</u>	<u>174,356,338</u>	<u>181,973,735</u>	<u>188,528,004</u>	<u>196,512,629</u>
Total Pension Liability - Ending (a)	<u>154,316,319</u>	<u>161,530,509</u>	<u>168,561,029</u>	<u>174,356,338</u>	<u>181,973,735</u>	<u>188,528,004</u>	<u>196,512,629</u>	<u>206,870,903</u>
Plan Fiduciary Net Position								
Contributions - employer	2,450,163	2,376,553	2,687,273	2,806,311	2,942,019	2,999,772	3,135,711	3,453,934
Contributions - employee	1,688,782	1,727,426	1,789,807	1,810,318	1,879,028	1,871,652	1,849,189	2,032,958
Net investment income	201,292	9,037,883	19,293,284	(4,620,014)	22,463,670	12,388,487	22,283,990	(13,738,655)
Benefit payments, including refunds of employee contributions	(6,870,568)	(7,556,886)	(8,592,383)	(8,789,026)	(9,203,080)	(9,428,922)	(9,782,223)	(10,196,006)
Administrative expense	(122,612)	(102,096)	(100,013)	(89,337)	(127,039)	(80,247)	(103,222)	(119,076)
Other	<u>(6,056)</u>	<u>(5,503)</u>	<u>(5,069)</u>	<u>(4,667)</u>	<u>(3,817)</u>	<u>(3,131)</u>	<u>707</u>	<u>142,093</u>
Net Change in Plan Fiduciary Net Position	(2,658,999)	5,477,377	15,072,899	(8,886,415)	17,950,781	7,747,611	17,384,152	(18,424,752)
Plan Fiduciary Net Position - Beginning	<u>136,423,683</u>	<u>133,764,684</u>	<u>139,242,061</u>	<u>154,314,960</u>	<u>145,428,545</u>	<u>163,379,326</u>	<u>171,126,937</u>	<u>188,511,089</u>
Plan Fiduciary Net Position - Ending (b)	<u>133,764,684</u>	<u>139,242,061</u>	<u>154,314,960</u>	<u>145,428,545</u>	<u>163,379,326</u>	<u>171,126,937</u>	<u>188,511,089</u>	<u>170,086,337</u>
City's Net Pension Liability - Ending (a) - (b)	<u>\$ 20,551,635</u>	<u>\$ 22,288,448</u>	<u>\$ 14,246,069</u>	<u>\$ 28,927,793</u>	<u>\$ 18,594,409</u>	<u>\$ 17,401,067</u>	<u>\$ 8,001,540</u>	<u>\$ 36,784,566</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.68%	86.20%	91.55%	83.41%	89.78%	90.77%	95.93%	82.22%
Covered Payroll	\$ 23,504,794	\$ 24,663,496	\$ 25,553,888	\$ 25,836,133	\$ 26,842,333	\$ 26,737,880	\$ 26,346,916	\$ 28,004,251
City's Net Pension Liability as a Percentage of Covered Payroll	87.44%	90.37%	55.75%	111.97%	69.27%	65.08%	30.37%	131.35%

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							
	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 2,468,088	\$ 2,604,026	\$ 2,736,709	\$ 2,904,605	\$ 2,910,714	\$ 3,029,768	\$ 3,419,077	\$ 3,371,871
Contributions in relation to the actuarially determined contribution	<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>	<u>3,419,077</u>	<u>3,371,871</u>
Contribution Deficiency (Excess)	<u>\$ (4,043)</u>	<u>\$ (11,668)</u>	<u>\$ (23,849)</u>	<u>\$ -</u>	<u>\$ (35,581)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 25,292,040	\$ 25,399,155	\$ 25,632,597	\$ 26,565,856	\$ 26,356,739	\$ 26,288,728	\$ 28,909,682	\$ 29,548,150
Contributions as a Percentage of Covered Payroll	9.77%	10.30%	10.77%	10.93%	11.18%	11.52%	11.83%	11.41%

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	23 years (longest amortization ladder)
Asset Valuation Method	10-year smoothed fair value; 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	2018	2019	2020	2021	2022
Total OPEB Liability						
Service cost	\$ 689,481	\$ 768,566	\$ 792,053	\$ 682,587	\$ 811,803	\$ 871,388
Interest (on the Total OPEB Liability)	981,235	1,004,827	1,061,546	933,744	921,737	1,023,287
Difference between expected and actual experience	-	(67,845)	(3,560,217)	(10,073)	1,281,325	165,531
Change of assumptions	644,834	(58,439)	599,659	1,374,648	925,966	(2,261,610)
Benefit payments, including refunds of employee contributions	<u>(849,310)</u>	<u>(680,984)</u>	<u>(682,789)</u>	<u>(764,202)</u>	<u>(787,066)</u>	<u>(1,079,147)</u>
Net Change in Total OPEB Liability	1,466,240	966,125	(1,789,748)	2,216,704	3,153,765	(1,280,551)
Total OPEB Liability - Beginning	<u>17,888,164</u>	<u>19,354,404</u>	<u>20,320,529</u>	<u>18,530,781</u>	<u>20,747,485</u>	<u>23,901,250</u>
Total OPEB Liability - Ending (a)	<u>19,354,404</u>	<u>20,320,529</u>	<u>18,530,781</u>	<u>20,747,485</u>	<u>23,901,250</u>	<u>22,620,699</u>
Plan Fiduciary Net Position						
Employer contributions	877,112	1,073,668	1,433,489	1,511,286	1,515,680	1,096,120
Net investment income	413,998	(171,374)	677,555	654,740	700,830	(1,173,762)
Benefit payments	(849,310)	(680,984)	(682,789)	(764,202)	(787,066)	(1,079,147)
Administrative expense	<u>(7,175)</u>	<u>(7,904)</u>	<u>(9,189)</u>	<u>(11,632)</u>	<u>(16,188)</u>	<u>(16,973)</u>
Net Change in Plan Fiduciary Net Position	434,625	213,406	1,419,066	1,390,192	1,413,256	(1,173,762)
Plan Fiduciary Net Position - Beginning	<u>2,701,800</u>	<u>3,136,425</u>	<u>3,349,831</u>	<u>4,768,897</u>	<u>6,159,089</u>	<u>7,572,345</u>
Plan Fiduciary Net Position - Ending (b)	<u>3,136,425</u>	<u>3,349,831</u>	<u>4,768,897</u>	<u>6,159,089</u>	<u>7,572,345</u>	<u>6,398,583</u>
City's Net OPEB Liability - Ending (a) - (b)	<u>\$ 16,217,979</u>	<u>\$ 16,970,698</u>	<u>\$ 13,761,884</u>	<u>\$ 14,588,396</u>	<u>\$ 16,328,905</u>	<u>\$ 16,222,116</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	16.21%	16.48%	25.74%	29.69%	31.68%	28.29%
Covered Employee Payroll	\$ 25,094,883	\$ 25,064,769	\$ 26,261,996	\$ 26,373,442	\$ 26,173,012	\$ 27,959,257
City's Net OPEB Liability as a Percentage of Covered Employee Payroll	64.63%	67.71%	52.40%	55.31%	62.39%	58.02%

Notes to schedule:

Changes of assumptions reflect the effect of changes in the discount rate each period. The Single Discount Rate at the beginning of FYE 2018 was 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	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 1,044,493	\$ 1,308,968	\$ 1,348,237	\$ 1,388,684	\$ 1,057,214	\$ 1,088,930
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>	<u>1,115,526</u>	<u>826,152</u>
Contribution Deficiency (Excess)	<u>\$ (59,299)</u>	<u>\$ (203,359)</u>	<u>\$ (2,196)</u>	<u>\$ (100,898)</u>	<u>\$ (58,312)</u>	<u>\$ 262,778</u>
Covered Employee Payroll	\$ 26,669,986	\$ 27,538,631	\$ 26,767,738	\$ 26,689,275	\$ 27,367,587	\$ 28,437,074
Contributions as a Percentage of Covered Employee Payroll	4.14%	5.49%	5.05%	5.58%	4.08%	2.91%

Notes to Schedule:

Valuation Date: December 31, 2021

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 4.15% after 15 years
Salary Increases	3.5% to 11.5%, including inflation
Investment Rate of Return	6.75%, 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 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.

*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)

Plan Year	Annual Money- Weighted Rate of Return
2017	15.64 %
2018	(4.66) %
2019	19.90 %
2020	13.48 %
2021	11.60 %
2022	(15.23) %

*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, 2023 with Comparative Actual for Year Ended
September 30, 2022

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Taxes					
Property taxes	\$ 18,310,900	\$ 18,310,900	\$ 18,359,868	\$ 48,968	\$ 17,085,418
Penalties and interest	75,000	75,000	118,412	43,412	114,923
City sales taxes	10,251,866	10,251,866	12,981,750	2,729,884	12,843,670
Mixed beverage taxes	170,000	170,000	148,052	(21,948)	156,847
Franchise taxes	2,540,000	2,540,000	2,694,566	154,566	2,663,951
	<u>31,347,766</u>	<u>31,347,766</u>	<u>34,302,648</u>	<u>2,954,882</u>	<u>32,864,809</u>
Licenses and Permits					
Building inspection	835,000	835,000	958,482	123,482	818,958
Paving inspection	5,000	5,000	59,252	54,252	21,884
Other	26,500	26,500	21,880	(4,620)	20,740
	<u>866,500</u>	<u>866,500</u>	<u>1,039,614</u>	<u>173,114</u>	<u>861,582</u>
Intergovernmental					
Grants	381,827	381,827	1,159,588	777,761	10,736,472
	<u>381,827</u>	<u>381,827</u>	<u>1,159,588</u>	<u>777,761</u>	<u>10,736,472</u>
Fines and Fees					
Municipal court	825,000	825,000	455,694	(369,306)	614,900
Library	3,510	3,510	4,065	555	5,396
	<u>828,510</u>	<u>828,510</u>	<u>459,759</u>	<u>(368,751)</u>	<u>620,296</u>
Charges for Services					
Recreational activity fees	658,200	658,200	672,704	14,504	673,606
Aquatic fees	500,000	500,000	420,073	(79,927)	451,025
Ambulance fees	700,000	700,000	994,106	294,106	1,061,323
Other	39,500	199,840	200,112	272	163,865
	<u>1,897,700</u>	<u>2,058,040</u>	<u>2,286,995</u>	<u>228,955</u>	<u>2,349,819</u>
Miscellaneous					
Investment earnings (losses)	207,600	207,600	1,141,458	933,858	(234,365)
Miscellaneous	366,380	366,380	442,251	75,871	413,493
	<u>573,980</u>	<u>573,980</u>	<u>1,583,709</u>	<u>1,009,729</u>	<u>179,128</u>
	<u>\$ 35,896,283</u>	<u>\$ 36,056,623</u>	<u>\$ 40,832,313</u>	<u>\$ 4,775,690</u>	<u>\$ 47,612,106</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, 2023 with Comparative Actual for Year Ended
September 30, 2022

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures					
General Government					
City Council	\$ 39,459	\$ 39,459	\$ 13,769	\$ 25,690	\$ 18,118
City Secretary	330,124	330,124	302,175	27,949	289,867
Administration (City Manager)	436,379	436,379	467,038	(30,659)	430,530
Judicial (municipal court)	674,576	674,576	604,497	70,079	605,410
Development	614,788	614,788	543,544	71,244	503,765
Personnel	378,385	378,385	406,965	(28,580)	346,776
Accounting (finance)	282,051	282,051	325,165	(43,114)	279,925
Nondepartmental	516,919	516,919	373,412	143,507	796,115
Information systems	30,024	30,024	13,765	16,259	12,898
Building maintenance	499,831	499,831	455,240	44,591	459,458
Total general government	<u>3,802,536</u>	<u>3,802,536</u>	<u>3,505,570</u>	<u>296,966</u>	<u>3,742,862</u>
Public Safety					
Ambulance	1,495,799	1,495,799	1,662,220	(166,421)	1,565,734
Police	13,080,021	13,080,021	12,087,367	992,654	10,411,465
Fire	7,819,082	7,819,082	8,497,442	(678,360)	8,043,006
Total public safety	<u>22,394,902</u>	<u>22,394,902</u>	<u>22,247,029</u>	<u>147,873</u>	<u>20,020,205</u>
Culture and Recreation					
Administration	265,958	265,958	260,704	5,254	267,384
Recreation	1,294,522	1,294,522	1,192,082	102,440	1,224,629
Aquatics	316,429	316,429	224,640	91,789	162,788
Parks	2,368,955	2,368,955	2,273,547	95,408	2,181,611
Library	1,647,135	1,647,135	1,607,574	39,561	1,551,728
Senior citizens	648,714	648,714	565,105	83,609	567,774
Total culture and recreation	<u>6,541,713</u>	<u>6,541,713</u>	<u>6,123,652</u>	<u>418,061</u>	<u>5,955,914</u>
Public Works					
Streets	1,973,856	1,973,856	1,819,514	154,342	2,045,824
Engineering community development	159,255	159,255	164,073	(4,818)	156,880
Code enforcement	802,274	802,274	789,959	12,315	844,233
Total public works	<u>2,935,385</u>	<u>2,935,385</u>	<u>2,773,546</u>	<u>161,839</u>	<u>3,046,937</u>
Total Expenditures	<u>\$ 35,674,536</u>	<u>\$ 35,674,536</u>	<u>\$ 34,649,797</u>	<u>\$ 1,024,739</u>	<u>\$ 32,765,918</u>
Excess of Revenues Over Expenditures	<u>\$ 221,747</u>	<u>\$ 382,087</u>	<u>\$ 6,182,516</u>	<u>\$ 5,800,429</u>	<u>\$ 14,846,188</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, 2023 with Comparative Actual for Year Ended
September 30, 2022

	<u>2023</u>				<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Other Financing Sources (Uses)					
Leases issued	\$ -	\$ -	\$ 130,686	\$ 130,686	\$ -
Subscriptions issued	-	-	284,915	284,915	-
Transfers in	-	-	342,307	342,307	11,622,746
Transfers out	<u>(360,600)</u>	<u>(360,600)</u>	<u>(5,459,754)</u>	<u>(5,099,154)</u>	<u>(14,271,074)</u>
Total other financing uses	<u>(360,600)</u>	<u>(360,600)</u>	<u>(4,701,846)</u>	<u>(4,341,246)</u>	<u>(2,648,328)</u>
Net Change in Fund Balance	(138,853)	21,487	1,480,670	1,459,183	12,197,860
Fund Balance, Beginning of Year	<u>27,912,493</u>	<u>27,912,493</u>	<u>27,912,493</u>	<u>-</u>	<u>15,714,633</u>
Fund Balance, End of Year	<u>\$ 27,773,640</u>	<u>\$ 27,933,980</u>	<u>\$ 29,393,163</u>	<u>\$ 1,459,183</u>	<u>\$ 27,912,493</u>

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, 2023 with Comparative Actual for Year Ended
September 30, 2022

	Original Budget	Final Budget	HCDC 2023 Actual	Variances	2022 Actual
Revenues					
Taxes, penalties and interest	\$ 5,500,000	\$ 5,500,000	\$ 6,210,611	\$ 710,611	\$ 6,151,956
Support from governmental entities	-	-	-	-	1,000
Investment earnings (losses)	56,000	56,000	233,719	177,719	(79,525)
Miscellaneous	5,000	5,000	3,939	(1,061)	61,621
Total revenues	<u>5,561,000</u>	<u>5,561,000</u>	<u>6,448,269</u>	<u>887,269</u>	<u>6,135,052</u>
Expenditures					
Culture and recreation	3,998,727	4,069,850	3,808,497	261,353	3,497,697
Capital outlay	-	-	648,524	(648,524)	43,900
Total expenditures	<u>3,998,727</u>	<u>4,069,850</u>	<u>4,457,021</u>	<u>(387,171)</u>	<u>3,541,597</u>
Excess of revenues over expenditures	1,562,273	1,491,150	1,991,248	500,098	2,593,455
Other Financing Sources (Uses)					
Transfers in	-	-	6,000	6,000	9,104
Transfers out	(1,222,983)	(1,222,983)	(1,224,784)	(1,801)	(1,225,291)
Total other financing sources (uses)	<u>(1,222,983)</u>	<u>(1,222,983)</u>	<u>(1,218,784)</u>	<u>4,199</u>	<u>(1,216,187)</u>
Net Change in Fund Balance	339,290	268,167	772,464	504,297	1,377,268
Fund Balance, Beginning of Year	<u>6,992,014</u>	<u>6,992,014</u>	<u>6,992,014</u>	<u>-</u>	<u>5,614,746</u>
Fund Balance, End of Year	<u>\$ 7,331,304</u>	<u>\$ 7,260,181</u>	<u>\$ 7,764,478</u>	<u>\$ 504,297</u>	<u>\$ 6,992,014</u>

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, 2023 with Comparative Actual for Year Ended
September 30, 2022**

	Original Budget	Final Budget	Anti-Crime		2022 Actual
			2023 Actual	Variances	
Revenues					
Taxes, penalties and interest	\$ 5,500,000	\$ 5,500,000	\$ 6,172,240	\$ 672,240	\$ 6,097,685
Investment earnings (losses)	73,000	73,000	360,497	287,497	(67,174)
Miscellaneous	2,000	2,000	3,320	1,320	8,216
Total revenues	5,575,000	5,575,000	6,536,057	961,057	6,038,727
Expenditures					
Public safety	5,447,756	5,447,756	5,010,598	437,158	5,026,428
Capital outlay	-	-	-	-	18,418
Total expenditures	5,447,756	5,447,756	5,010,598	437,158	5,044,846
Excess of Revenues Over Expenditures	127,244	127,244	1,525,459	1,398,215	993,881
Other Financing Sources (Uses)					
Transfers in	-	-	35,874	35,874	1,173,117
Total other financing sources (uses)	-	-	35,874	35,874	1,173,117
Net Change in Fund Balance	127,244	127,244	1,561,333	1,434,089	2,166,998
Fund Balance — Beginning of Year	9,878,758	9,878,758	9,878,758	-	7,711,760
Fund Balance — End of Year	\$ 10,006,002	\$ 10,006,002	\$ 11,440,091	\$ 1,434,089	\$ 9,878,758

City of Hurst, Texas
Notes to Required Supplementary Information
September 30, 2022

1. Summary of Significant Accounting Policies

A. 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 2022-2023 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.



**Combining and Individual Fund Financial Statements
and 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.

2022 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)

NON-MAJOR ENTERPRISE FUNDS

Hurst Public Facility Corporation Fund – Used to account for the activities of the Hurst Public Facility Corporation, a public non-profit corporation organized pursuant to the *Texas Public Facility Act*, Chapter 303 Texas Local Government Code.

Val Oaks Fund – Used to account for the activities at the Val Oaks property, including lease revenues and related operating expenditures.

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, 2023 and 2022

Assets

	2023	2022
Cash and cash equivalents	\$ 704,956	\$ -
Investments	21,144,159	27,637,931
Taxes receivable	2,276,784	2,266,581
Lease receivable	155,976	168,509
Court receivables	2,344,059	1,934,349
Accounts receivable	1,169,312	1,111,683
Inventories and prepaid expenses	27,883	1,883
Due from other funds	7,994,561	-
	\$ 35,817,690	\$ 33,120,936

Liabilities

Accounts payable and accrued items	\$ 3,454,941	\$ 2,753,347
Escrow deposits payable and unearned revenue	68,885	70,418
	3,523,826	2,823,765

Deferred Inflows of Resources

Leases	146,371	163,076
Unavailable revenue	2,754,330	2,221,602
	2,900,701	2,384,678

Fund Balance

Nonspendable		
Inventory	27,883	1,883
Restricted	7,687,793	6,852,281
Assigned	22,907	26,558
Unassigned	21,654,580	21,031,771
	29,393,163	27,912,493
Total fund balance	29,393,163	27,912,493
Total liabilities, deferred inflows of resources, and fund balance	\$ 35,817,690	\$ 33,120,936

City of Hurst, Texas
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2023 with Comparative
Total for September 30, 2022

	Debt Service Funds	Capital Projects			
		Street/ Drainage Improvements	2007 GO Bond	2007 CO Bond	2009 CO Bond
Assets					
Cash and cash equivalents	\$ 6,830	\$ -	\$ 1,207	\$ 10,151	\$ 2,090
Investments	1,210,011	-	-	-	-
Receivables, net					
Taxes	21,290	-	-	-	-
Other	-	-	-	-	-
Total assets	<u>\$ 1,238,131</u>	<u>\$ -</u>	<u>\$ 1,207</u>	<u>\$ 10,151</u>	<u>\$ 2,090</u>
Liabilities					
Accounts payable and accrued items	\$ 38,783	\$ -	\$ -	\$ -	\$ -
Due to other funds	22,635	-	-	-	-
Total liabilities	<u>61,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenue	20,777	-	-	-	-
Total deferred inflows of resources	<u>20,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	1,155,936	-	1,207	10,151	2,090
Unassigned	-	-	-	-	-
Total fund balances	<u>1,155,936</u>	<u>-</u>	<u>1,207</u>	<u>10,151</u>	<u>2,090</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,238,131</u>	<u>\$ -</u>	<u>\$ 1,207</u>	<u>\$ 10,151</u>	<u>\$ 2,090</u>

Capital Projects

2015 CO Bond	2017 Tax Notes	2019 CO Bonds	2019 GO Bonds	2022 CO Bonds	Escrow Projects	Totals	
						2023	2022
\$ -	\$ 76	\$ 123,616	\$ -	\$ 46,661	\$ 8,635	\$ 199,266	\$ 774,737
1,018,998	-	444,300	200,000	1,993,983	-	4,867,292	5,319,447
-	-	-	-	3,180	-	24,470	21,461
17,520	-	2,121	-	-	-	19,641	4,190
<u>\$ 1,036,518</u>	<u>\$ 76</u>	<u>\$ 570,037</u>	<u>\$ 200,000</u>	<u>\$ 2,043,824</u>	<u>\$ 8,635</u>	<u>\$ 5,110,669</u>	<u>\$ 6,119,835</u>
\$ 63,299	\$ -	\$ -	\$ -	\$ 5,017	\$ -	\$ 107,099	\$ 330,359
941,333	-	-	125,575	-	-	1,089,543	-
1,004,632	-	-	125,575	5,017	-	1,196,642	330,359
-	-	-	-	-	-	20,777	24,704
-	-	-	-	-	-	20,777	24,704
31,886	76	570,037	74,425	2,038,807	8,635	3,893,250	5,769,501
-	-	-	-	-	-	-	(4,729)
31,886	76	570,037	74,425	2,038,807	8,635	3,893,250	5,764,772
<u>\$ 1,036,518</u>	<u>\$ 76</u>	<u>\$ 570,037</u>	<u>\$ 200,000</u>	<u>\$ 2,043,824</u>	<u>\$ 8,635</u>	<u>\$ 5,110,669</u>	<u>\$ 6,119,835</u>

City of Hurst, Texas
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2023 with Comparative
Total for Year Ended September 30, 2022

	Debt Service Funds	Capital Projects			
		Street/ Drainage Improvements	2007 GO Bond	2007 CO Bond	2009 CO Bond
Revenues					
Taxes, penalty and interest	\$ 3,607,442	\$ -	\$ -	\$ -	\$ -
Investment earnings (losses)	52,026	-	-	-	-
Miscellaneous	2,432	4,729	-	-	-
Total revenues	<u>3,661,900</u>	<u>4,729</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Capital outlay	-	-	-	-	-
Debt Service					
Principle retirement	3,680,000	-	-	-	-
Interest and fiscal charges	1,545,172	-	-	-	-
Total expenditures	<u>5,225,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,563,272)</u>	<u>4,729</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
Transfers in	1,585,684	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>1,585,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	22,412	4,729	-	-	-
Fund Balances (Deficit), Beginning of Year	<u>1,133,524</u>	<u>(4,729)</u>	<u>1,207</u>	<u>10,151</u>	<u>2,090</u>
Fund Balances, End of Year	<u>\$ 1,155,936</u>	<u>\$ -</u>	<u>\$ 1,207</u>	<u>\$ 10,151</u>	<u>\$ 2,090</u>

Capital Projects

2015 CO Bond	2017 Tax Notes	2019 CO Bond	2019 GO Bond	2022 CO Bond	Escrow Projects	Totals	
						2023	2022
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,607,442	\$ 3,606,306
72,063	-	17,631	14,698	79,194	(2,141)	233,471	(22,625)
-	-	-	-	-	-	7,161	3,648
<u>72,063</u>	<u>-</u>	<u>17,631</u>	<u>14,698</u>	<u>79,194</u>	<u>(2,141)</u>	<u>3,848,074</u>	<u>3,587,329</u>
2,002,230	-	16,989	16,552	44,337	-	2,080,108	769,635
-	-	-	-	-	-	3,680,000	3,600,000
-	-	-	-	-	-	1,545,172	1,612,804
<u>2,002,230</u>	<u>-</u>	<u>16,989</u>	<u>16,552</u>	<u>44,337</u>	<u>-</u>	<u>7,305,280</u>	<u>5,982,439</u>
<u>(1,930,167)</u>	<u>-</u>	<u>642</u>	<u>(1,854)</u>	<u>34,857</u>	<u>(2,141)</u>	<u>(3,457,206)</u>	<u>(2,395,110)</u>
-	-	-	-	-	-	-	1,975,000
-	-	-	-	-	-	-	70,638
-	-	-	-	-	-	1,585,684	1,588,791
-	-	-	-	-	-	-	(466,354)
-	-	-	-	-	-	1,585,684	3,168,075
<u>(1,930,167)</u>	<u>-</u>	<u>642</u>	<u>(1,854)</u>	<u>34,857</u>	<u>(2,141)</u>	<u>(1,871,522)</u>	<u>772,965</u>
<u>1,962,053</u>	<u>76</u>	<u>569,395</u>	<u>76,279</u>	<u>2,003,950</u>	<u>10,776</u>	<u>5,764,772</u>	<u>4,991,807</u>
<u>\$ 31,886</u>	<u>\$ 76</u>	<u>\$ 570,037</u>	<u>\$ 74,425</u>	<u>\$ 2,038,807</u>	<u>\$ 8,635</u>	<u>\$ 3,893,250</u>	<u>\$ 5,764,772</u>

City of Hurst, Texas
Debt Service Funds
Combining Balance Sheet
September 30, 2023 with Comparative
Total for September 30, 2022

	Debt Service Fund	HCDC Debt Service Fund	Hotel/Motel Debt Service Fund	Totals	
				2023	2022
Assets					
Cash and cash equivalents	\$ 6,828	\$ 2	\$ -	\$ 6,830	\$ 18,660
Investments	400,214	805,184	4,613	1,210,011	1,157,985
Receivables, net					
Taxes	21,290	-	-	21,290	20,366
Total assets	<u>\$ 428,332</u>	<u>\$ 805,186</u>	<u>\$ 4,613</u>	<u>\$ 1,238,131</u>	<u>\$ 1,197,011</u>
Liabilities					
Accounts payable and accrued items	\$ 12,186	\$ 26,597	\$ -	\$ 38,783	\$ 38,783
Due to other funds	22,635	-	-	22,635	-
Total liabilities	<u>34,821</u>	<u>26,597</u>	<u>-</u>	<u>61,418</u>	<u>38,783</u>
Deferred Inflows of Resources					
Unavailable revenue	20,777	-	-	20,777	24,704
Total deferred inflows of resources	<u>20,777</u>	<u>-</u>	<u>-</u>	<u>20,777</u>	<u>24,704</u>
Fund Balances					
Restricted	372,734	778,589	4,613	1,155,936	1,133,524
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 428,332</u>	<u>\$ 805,186</u>	<u>\$ 4,613</u>	<u>\$ 1,238,131</u>	<u>\$ 1,197,011</u>

City of Hurst, Texas

Debt Service Funds

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

Year Ended September 30, 2023 with Comparative

Total for Year Ended September 30, 2022

	Debt Service Fund	HCDC Debt Service Fund	Hotel/Motel Debt Service Fund	Totals	
				2023	2022
Revenues					
Taxes, penalty and interest	\$ 3,607,442	\$ -	\$ -	\$ 3,607,442	\$ 3,606,306
Investment earnings	17,208	34,620	198	52,026	13,386
Miscellaneous	2,432	-	-	2,432	3,648
Total revenues	3,627,082	34,620	198	3,661,900	3,623,340
Expenditures					
Debt service					
Principal retirement	2,740,000	745,000	195,000	3,680,000	3,600,000
Interest and fiscal charges	899,490	479,782	165,900	1,545,172	1,612,804
Total expenditures	3,639,490	1,224,782	360,900	5,225,172	5,212,804
Deficiency of revenues under expenditures	(12,408)	(1,190,162)	(360,702)	(1,563,272)	(1,589,464)
Other Financing Sources					
Transfers in	-	1,224,784	360,900	1,585,684	1,588,791
Total other financing sources	-	1,224,784	360,900	1,585,684	1,588,791
Net Change in Fund Balance	(12,408)	34,622	198	22,412	(673)
Fund Balances, Beginning of Year	385,142	743,967	4,415	1,133,524	1,134,197
Fund Balances, End of Year	\$ 372,734	\$ 778,589	\$ 4,613	\$ 1,155,936	\$ 1,133,524

City of Hurst, Texas
Debt Service Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Year Ended September 30, 2023 with Comparative
Actual for Year Ended September 30, 2022

	Debt Service Fund			
	2023		2022	
	Budget	Actual	Variance	Actual
Revenues				
Taxes, penalty and interest	\$ 3,580,486	\$ 3,607,442	\$ 26,956	\$ 3,606,306
Investment earnings	10,000	17,208	7,208	7,911
Miscellaneous	-	2,432	2,432	3,648
Total revenues	<u>3,590,486</u>	<u>3,627,082</u>	<u>36,596</u>	<u>3,617,865</u>
Expenditures				
Principal retirement	2,740,000	2,740,000	-	2,690,000
Interest and fiscal charges	894,907	899,490	(4,583)	933,271
Total expenditures	<u>3,634,907</u>	<u>3,639,490</u>	<u>(4,583)</u>	<u>3,623,271</u>
Excess (deficiency) of revenues over (under) expenditures	(44,421)	(12,408)	32,013	(5,406)
Fund Balance, Beginning of Year	<u>385,142</u>	<u>385,142</u>	<u>-</u>	<u>390,548</u>
Fund Balance, End of Year	<u>\$ 340,721</u>	<u>\$ 372,734</u>	<u>\$ 32,013</u>	<u>\$ 385,142</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, 2023 with Comparative
Actual for Year Ended September 30, 2022

	HCDC Debt Service Fund			
	2023			2022
	Budget	Actual	Variance	Actual
Revenues				
Investment earnings	\$ -	\$ 34,620	\$ 34,620	\$ 5,219
Total revenues	-	34,620	34,620	5,219
Expenditures				
Principal retirement	745,000	745,000	-	720,000
Interest and fiscal charges	477,983	479,782	(1,799)	506,034
Total expenditures	1,222,983	1,224,782	(1,799)	1,226,034
Excess (deficiency) of revenues over (under) expenditures	(1,222,983)	(1,190,162)	32,821	(1,220,815)
Other Financing Sources				
Transfers in	1,222,983	1,224,784	1,801	1,225,291
Total other financing sources	1,222,983	1,224,784	1,801	1,225,291
Revenues and Other Financing Sources Over Expenditures	-	34,622	34,622	4,476
Fund Balance, Beginning of Year	743,967	743,967	-	739,491
Fund Balance, End of Year	<u>\$ 743,967</u>	<u>\$ 778,589</u>	<u>\$ 34,622</u>	<u>\$ 743,967</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, 2023 with Comparative
Actual for Year Ended September 30, 2022

	Hotel/Motel Debt Service Fund			
	2023		2022	
	Budget	Actual	Variance	Actual
Revenues				
Investment earnings	\$ -	\$ 198	\$ 198	\$ 256
Total revenues	-	198	198	256
Expenditures				
Principal retirement	195,000	195,000	-	190,000
Interest and fiscal charges	165,600	165,900	(300)	173,499
Total expenditures	360,600	360,900	(300)	363,499
Deficiency of revenues under expenditures	(360,600)	(360,702)	(102)	(363,243)
Other Financing Sources				
Transfers in	360,600	360,900	(300)	363,500
Total other financing sources	360,600	360,900	(300)	363,500
Revenues and Other Financing Sources Over Expenditures	-	198	198	257
Fund Balance, Beginning of Year	4,415	4,415	-	4,158
Fund Balance, End of Year	\$ 4,415	\$ 4,613	\$ 198	\$ 4,415

City of Hurst, Texas
Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2023 with Comparative
Total for September 30, 2022

Assets	Hurst Public Facility Corporation Fund	Val Oaks Fund	Totals	
			2023	2022
Current Assets				
Cash and cash equivalents	\$ 486,748	\$ 11,107	\$ 497,855	\$ 372,147
Lease receivable	-	187,535	187,535	399,746
Interest receivable	-	703	703	1,499
Total assets	<u>486,748</u>	<u>199,345</u>	<u>686,093</u>	<u>773,392</u>
Liabilities				
Security deposits	-	25,406	25,406	25,406
Total current liabilities	<u>-</u>	<u>25,406</u>	<u>25,406</u>	<u>25,406</u>
Deferring Inflows of Resources				
Lease related	-	170,670	170,670	379,510
Total deferred inflows of resources	<u>-</u>	<u>170,670</u>	<u>170,670</u>	<u>379,510</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>196,076</u>	<u>196,076</u>	<u>404,916</u>
Net Position				
Unrestricted	<u>486,748</u>	<u>3,269</u>	<u>490,017</u>	<u>368,476</u>
Total net position	<u>486,748</u>	<u>3,269</u>	<u>490,017</u>	<u>368,476</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 486,748</u>	<u>\$ 199,345</u>	<u>\$ 686,093</u>	<u>\$ 773,392</u>

City of Hurst, Texas
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
September 30, 2023 with Comparative
Total for September 30, 2022

	Hurst Public Facility Corporation Fund	Val Oaks Fund	Totals	
			2023	2022
Operating Revenues				
Rent	\$ -	\$ -	\$ -	\$ 15,789
Other	170,079	-	170,079	142,904
Total operating revenues	170,079	-	170,079	158,693
Operating Expenses				
Contractual services	8,429	16,955	25,384	2,049
Miscellaneous	-	39,616	39,616	4,500
Total operating expenses	8,429	56,571	65,000	6,549
Operating Income (Loss)	161,650	(56,571)	105,079	152,144
Nonoperating Revenues				
Interest revenue	3,674	12,788	16,462	21,275
Total nonoperating revenues	3,674	12,788	16,462	21,275
Change in Net Position	165,324	(43,783)	121,541	173,419
Net Position, Beginning of Year	321,424	47,052	368,476	195,057
Net Position, End of Year	\$ 486,748	\$ 3,269	\$ 490,017	\$ 368,476

City of Hurst, Texas
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
Year Ended September 30, 2023 with Comparative
Total for Year Ended September 30, 2022

	Hurst Public Facility Corporation Fund	Val Oaks Fund	Totals	
			2023	2022
Operating Activities				
Receipts from customers and users	\$ 170,079	\$ -	\$ 170,079	\$ 162,364
Payments to suppliers	(8,429)	(39,616)	(48,045)	(6,549)
Net cash provided by (used in) operating activities	161,650	(39,616)	122,034	155,815
Capital and Related Financing Activities				
Interest income from lease	-	-	-	20,665
Net cash provided by capital and financing activities	-	-	-	20,665
Investing Activities				
Interest income on investments	3,674	-	3,674	610
Net cash provided by investing activities	3,674	-	3,674	610
Increase (Decrease) in Cash and Cash Equivalents	165,324	(39,616)	125,708	177,090
Cash and Cash Equivalents, Beginning of Year	321,424	50,723	372,147	195,057
Cash and Cash Equivalents, End of Year	\$ 486,748	\$ 11,107	\$ 497,855	\$ 372,147
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities				
Operating income (loss)	\$ 161,650	\$ (56,571)	\$ 105,079	\$ 152,144
Change in assets				
Lease receivable	-	213,007	213,007	(401,245)
Other	-	12,788	12,788	-
Change in liabilities and deferred inflows of resources				
Security deposits	-	-	-	25,406
Deferred inflows - lease related	-	(208,840)	(208,840)	379,510
Net cash provided by (used in) operating activities	\$ 161,650	\$ (39,616)	\$ 122,034	\$ 155,815

City of Hurst, Texas
Internal Service Funds
Combining Statement of Net Position
September 30, 2023 with Comparative
Total for September 30, 2022

	Fleet	Loss	Information	Totals	
	Service	Reserve	Services	2023	2022
Assets					
Current Assets					
Cash and cash equivalents	\$ 134,338	\$ 3,049,633	\$ 198,612	\$ 3,382,583	\$ 1,830,842
Investments	5,995,284	2,742,103	3,148,049	11,885,436	12,066,536
Inventory of supplies, at cost	71,011	-	-	71,011	64,557
Other receivables	25,165	11,493	9,684	46,342	23,375
Prepaid expenses	-	165,000	-	165,000	165,000
Total current assets	<u>6,225,798</u>	<u>5,968,229</u>	<u>3,356,345</u>	<u>15,550,372</u>	<u>14,150,310</u>
Property and Equipment					
Improvements other than buildings	433,451	-	-	433,451	433,451
Machinery and equipment	6,743,519	-	6,978,456	13,721,975	13,273,627
Construction in progress	-	-	243,073	243,073	309,147
Subscription assets	-	-	1,307,498	1,307,498	-
Accumulated depreciation/amortization	(6,209,986)	-	(6,258,413)	(12,468,399)	(11,498,032)
Total property and equipment, net	<u>966,984</u>	<u>-</u>	<u>2,270,614</u>	<u>3,237,598</u>	<u>2,518,193</u>
Total assets	<u>7,192,782</u>	<u>5,968,229</u>	<u>5,626,959</u>	<u>18,787,970</u>	<u>16,668,503</u>
Deferred Outflows of Resources					
Deferred pension outflows	165,787	-	260,521	426,308	90,610
Deferred OPEB outflows	62,469	-	74,781	137,250	132,115
Total deferred outflows of resources	<u>228,256</u>	<u>-</u>	<u>335,302</u>	<u>563,558</u>	<u>222,725</u>
Total assets and deferred outflows of resources	<u>\$ 7,421,038</u>	<u>\$ 5,968,229</u>	<u>\$ 5,962,261</u>	<u>\$ 19,351,528</u>	<u>\$ 16,891,228</u>
Liabilities					
Current Liabilities					
Accounts payable and accrued items	\$ 175,275	\$ 347,815	\$ 74,528	\$ 597,618	\$ 448,687
Current portion of net OPEB liability	11,112	-	13,302	24,414	24,574
Current portion of compensated absences	10,178	-	24,940	35,118	29,105
Current portion of subscription liability	-	-	100,845	100,845	-
Total current liabilities	<u>196,565</u>	<u>347,815</u>	<u>213,615</u>	<u>757,995</u>	<u>502,366</u>
Noncurrent Liabilities					
Net pension liability	360,489	-	566,482	926,971	201,639
Net OPEB liability, net of current portion	211,131	-	252,740	463,871	466,924
Compensated absences	18,901	-	46,316	65,217	54,052
Subscription liability, net of current portion	-	-	192,951	192,951	-
Total liabilities	<u>787,086</u>	<u>347,815</u>	<u>1,272,104</u>	<u>2,407,005</u>	<u>1,224,981</u>
Deferred Inflows of Resources					
Deferred pension inflows	1,685	-	2,647	4,332	299,525
Deferred OPEB inflows	48,961	-	58,609	107,570	79,326
Total deferred inflows of resources	<u>50,646</u>	<u>-</u>	<u>61,256</u>	<u>111,902</u>	<u>378,851</u>
Net Position					
Net investment in capital assets	966,984	-	1,976,818	2,943,802	2,518,193
Unrestricted	5,616,322	5,620,414	2,652,083	13,888,819	12,769,203
Total net position	<u>6,583,306</u>	<u>5,620,414</u>	<u>4,628,901</u>	<u>16,832,621</u>	<u>15,287,396</u>
Total liabilities, deferred inflows, and net position	<u>\$ 7,421,038</u>	<u>\$ 5,968,229</u>	<u>\$ 5,962,261</u>	<u>\$ 19,351,528</u>	<u>\$ 16,891,228</u>

City of Hurst, Texas
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
September 30, 2023 with Comparative
Total for September 30, 2022

	Fleet Service	Loss Reserve	Information Services	Totals	
				2023	2022
Operating Revenues					
Service fees	\$ 1,810,824	\$ 7,518,416	\$ 2,225,200	\$ 11,554,440	\$ 11,138,936
Other	322,017	824,112	1,541	1,147,670	193,719
Total operating revenues	<u>2,132,841</u>	<u>8,342,528</u>	<u>2,226,741</u>	<u>12,702,110</u>	<u>11,332,655</u>
Operating Expenses					
Personnel services	493,098	8,345,164	686,579	9,524,841	8,108,082
Contractual services	-	-	184,198	184,198	220,778
Repairs and maintenance	113,900	-	560,673	674,573	605,720
Materials and supplies	847,123	-	490,649	1,337,772	1,262,692
Depreciation and amortization	334,519	-	635,848	970,367	523,186
Total operating expenses	<u>1,788,640</u>	<u>8,345,164</u>	<u>2,557,947</u>	<u>12,691,751</u>	<u>10,720,458</u>
Operating income (loss)	344,201	(2,636)	(331,206)	10,359	612,197
Non-operating Revenues (Expenses)					
Interest income (loss)	182,211	61,208	110,871	354,290	(173,612)
Gain on sale of property and equipment	-	-	-	-	13,950
Total nonoperating revenues (expenses)	<u>182,211</u>	<u>61,208</u>	<u>110,871</u>	<u>354,290</u>	<u>(159,662)</u>
Income (loss) before transfers	526,412	58,572	(220,335)	364,649	452,535
Transfers In	<u>159,289</u>	<u>1,000,000</u>	<u>21,287</u>	<u>1,180,576</u>	<u>221,982</u>
Change in Net Position	685,701	1,058,572	(199,048)	1,545,225	674,517
Net Position, Beginning of Year	<u>5,897,605</u>	<u>4,561,842</u>	<u>4,827,949</u>	<u>15,287,396</u>	<u>14,612,879</u>
Net Position, End of Year	<u>\$ 6,583,306</u>	<u>\$ 5,620,414</u>	<u>\$ 4,628,901</u>	<u>\$ 16,832,621</u>	<u>\$ 15,287,396</u>

City of Hurst, Texas
Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2023 with Comparative
Total for Year Ended September 30, 2022

	Fleet Service	Loss Reserve	Information Services	Totals	
				2023	2022
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 308,372	\$ 824,112	\$ 1,541	\$ 1,134,025	\$ 197,446
Receipts from interfund services provided	1,810,824	7,518,416	2,225,200	11,554,440	11,138,936
Payments on behalf of suppliers	(819,903)	29,697	(1,287,658)	(2,077,864)	(2,115,428)
Payments on behalf of employees	(453,498)	(8,321,366)	(594,664)	(9,369,528)	(8,170,928)
Net cash provided by operating activities	845,795	50,859	344,419	1,241,073	1,050,026
Cash Flows from Noncapital Financing Activities					
Transfers from other funds	159,289	1,000,000	21,287	1,180,576	221,982
Net cash provided by noncapital financing activities	159,289	1,000,000	21,287	1,180,576	221,982
Cash Flows from Capital and Related Financing Activities					
Subscription liability payments	-	-	(155,347)	(155,347)	-
Purchases of property and equipment	(275,048)	-	(264,526)	(539,574)	(959,080)
Purchases of subscription assets	-	-	(701,055)	(701,055)	-
Proceeds from sale of property and equipment	-	-	-	-	13,950
Net cash used in capital and related financing activities	(275,048)	-	(1,120,928)	(1,395,976)	(945,130)
Cash Flows from Investing Activities					
Proceeds from sale/maturity of investments	2,756,442	2,669,452	2,391,565	7,817,459	2,791,092
Purchase of investments	(3,840,818)	(2,051,516)	(1,744,025)	(7,636,359)	(3,662,323)
Interest received on investments	182,211	56,270	106,487	344,968	(164,814)
Net cash (used in) provided by investing activities	(902,165)	674,206	754,027	526,068	(1,036,045)
Net Increase (Decrease) in Cash and Cash Equivalents	(172,129)	1,725,065	(1,195)	1,551,741	(709,167)
Cash and Cash Equivalents, Beginning of Year	306,467	1,324,568	199,807	1,830,842	2,540,009
Cash and Cash Equivalents, End of Year	\$ 134,338	\$ 3,049,633	\$ 198,612	\$ 3,382,583	\$ 1,830,842
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating income (loss)	\$ 344,201	\$ (2,636)	\$ (331,206)	\$ 10,359	\$ 612,197
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation and amortization	334,519	-	635,848	970,367	523,186
Change in assets and deferred outflows:					
Other receivables	(13,645)	-	-	(13,645)	3,727
Inventory of supplies	(6,454)	-	-	(6,454)	(17,080)
Deferred pension outflows	(130,550)	-	(205,148)	(335,698)	(16,250)
Deferred OPEB outflows	(2,337)	-	(2,798)	(5,135)	(38,601)
Change in liabilities and deferred inflows:					
Accounts payable and other liabilities	141,391	53,495	(28,777)	166,109	14,332
Net pension liability	282,074	-	443,258	725,332	(236,867)
Net OPEB liability	(1,463)	-	(1,750)	(3,213)	52,387
Deferred pension inflows	(114,797)	-	(180,396)	(295,193)	165,145
Deferred OPEB inflows	12,856	-	15,388	28,244	(12,150)
Net Cash Provided by Operating Activities	\$ 845,795	\$ 50,859	\$ 344,419	\$ 1,241,073	\$ 1,050,026

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.

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	96-100
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	101-108
Debt Capacity 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.	109-113
Demographic and Economic Information 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.	114-115
Operating Information 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.	116-118

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			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 117,648,033	\$ 120,518,416	\$ 116,996,558	\$ 114,347,361
Restricted	25,403,597	21,707,954	24,767,252	16,117,137
Unrestricted	<u>28,731,273</u>	<u>23,104,601</u>	<u>16,858,946</u>	<u>23,931,997</u>
 Total governmental activities net position	 <u>\$ 171,782,903</u>	 <u>\$ 165,330,971</u>	 <u>\$ 158,622,756</u>	 <u>\$ 154,396,495</u>
Business-type Activities				
Net investment in capital assets	\$ 32,606,567	\$ 33,786,264	\$ 36,190,346	\$ 38,973,677
Restricted	10,031,203	11,358,914	12,911,394	-
Unrestricted	<u>6,500,430</u>	<u>3,816,191</u>	<u>468,067</u>	<u>12,949,090</u>
 Total business-type activities net position	 <u>\$ 49,138,200</u>	 <u>\$ 48,961,369</u>	 <u>\$ 49,569,807</u>	 <u>\$ 51,922,767</u>
Primary Government				
Net investment in capital assets	\$ 150,254,600	\$ 154,304,680	\$ 153,186,904	\$ 153,321,038
Restricted	35,434,800	33,066,868	37,678,646	16,117,137
Unrestricted	<u>35,231,703</u>	<u>26,920,792</u>	<u>17,327,013</u>	<u>36,881,087</u>
 Total primary government net position	 <u>\$ 220,921,103</u>	 <u>\$ 214,292,340</u>	 <u>\$ 208,192,563</u>	 <u>\$ 206,319,262</u>

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

Table A-1

Fiscal Year Ended					
2018 (a)	2019	2020	2021	2022	2023
\$ 113,020,392	\$ 111,980,392	\$ 109,339,694	\$ 107,239,312	\$ 107,071,255	\$ 105,576,298
16,581,980	15,961,153	19,240,287	21,240,054	24,870,497	28,074,737
9,991,473	7,530,751	7,676,690	12,937,321	25,260,442	26,523,871
<u>\$ 139,593,845</u>	<u>\$ 135,472,296</u>	<u>\$ 136,256,671</u>	<u>\$ 141,416,687</u>	<u>\$ 157,202,194</u>	<u>\$ 160,174,906</u>
\$ 40,834,276	\$ 41,683,200	\$ 42,263,651	\$ 41,558,248	\$ 44,943,007	\$ 46,021,443
-	-	-	-	-	-
10,738,394	10,025,806	10,367,091	13,555,313	15,286,641	17,366,080
<u>\$ 51,572,670</u>	<u>\$ 51,709,006</u>	<u>\$ 52,630,742</u>	<u>\$ 55,113,561</u>	<u>\$ 60,229,648</u>	<u>\$ 63,387,523</u>
\$ 153,854,668	\$ 153,663,592	\$ 151,603,345	\$ 148,797,560	\$ 152,014,262	\$ 151,597,741
16,581,980	15,961,153	19,240,287	21,240,054	24,870,497	28,074,737
20,729,867	17,556,557	18,043,781	26,492,634	40,547,083	43,889,951
<u>\$ 191,166,515</u>	<u>\$ 187,181,302</u>	<u>\$ 188,887,413</u>	<u>\$ 196,530,248</u>	<u>\$ 217,431,842</u>	<u>\$ 223,562,429</u>

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

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities				
General government	\$ 4,337,097	\$ 5,256,773	\$ 8,168,344	\$ 5,503,950
Public safety	21,306,312	23,039,603	24,614,274	26,946,144
Culture and recreation	10,845,533	11,142,994	12,112,717	12,554,825
Public works	4,655,157	4,756,586	5,174,276	4,928,786
Interest expense	1,980,775	2,146,970	2,328,484	1,888,355
Total governmental activities expenses	<u>43,124,874</u>	<u>46,342,926</u>	<u>52,398,095</u>	<u>51,822,060</u>
Business-type activities				
Water and sewer	18,757,469	19,752,412	20,384,872	20,090,660
Stormwater management services	730,385	689,554	879,123	1,015,099
Conference and meeting center	2,024,417	2,004,236	2,362,568	2,654,063
Hurst Public Facility Corporation	-	-	-	-
Val Oaks	-	-	-	-
Total business-type activities expenses	<u>21,512,271</u>	<u>22,446,202</u>	<u>23,626,563</u>	<u>23,759,822</u>
Total primary government expenses	<u>\$ 64,637,145</u>	<u>\$ 68,789,128</u>	<u>\$ 76,024,658</u>	<u>\$ 75,581,882</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 14,900	\$ 22,670	\$ 18,470	\$ 19,165
Public safety	3,150,918	3,278,888	3,551,541	3,229,547
Culture and recreation	1,144,472	1,004,909	1,156,952	1,244,593
Public works	657,700	630,248	682,420	780,953
Operating grants and contributions	669,691	738,969	862,969	1,613,979
Capital grants and contributions	78,875	28,803	218,830	265,990
Total governmental activities program revenues	<u>5,716,556</u>	<u>5,704,487</u>	<u>6,491,182</u>	<u>7,154,227</u>
Business-type activities				
Charges for services				
Water and sewer services	19,031,909	19,609,118	19,892,629	21,183,069
Stormwater management services	1,086,935	1,094,476	1,098,287	1,375,194
Hurst Public Facility Corporation	-	-	-	-
Conference and meeting center	2,003,045	1,927,152	2,553,445	2,811,704
Operating grants and contributions	-	-	44,622	10,931
Capital grants and contributions	114,148	680,309	693,753	811,985
Total business-type activities program revenues	<u>22,236,037</u>	<u>23,311,055</u>	<u>24,282,736</u>	<u>26,192,883</u>
Total primary government program revenues	<u>\$ 27,952,593</u>	<u>\$ 29,015,542</u>	<u>\$ 30,773,918</u>	<u>\$ 33,347,110</u>

Table A-2

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 8,330,340	\$ 8,148,665	\$ 6,919,302	\$ 4,958,838	\$ 4,109,697	\$ 7,937,133
25,445,464	27,277,634	25,752,945	24,389,940	25,461,659	33,012,865
12,836,977	12,386,690	10,637,396	11,383,530	11,639,982	11,800,248
3,869,464	5,085,774	4,929,958	4,116,324	4,958,387	4,736,648
2,042,840	1,711,724	1,135,394	1,724,654	1,476,018	1,432,656
<u>52,525,085</u>	<u>54,610,487</u>	<u>49,374,995</u>	<u>46,573,286</u>	<u>47,645,743</u>	<u>58,919,550</u>
20,542,607	21,842,377	21,415,506	19,737,759	21,143,906	22,252,474
936,108	950,588	911,776	932,360	1,011,047	1,223,552
2,777,085	3,608,240	2,151,646	1,877,996	2,465,978	3,646,018
-	-	-	6,189	6,549	8,429
-	-	-	-	-	56,571
<u>24,255,800</u>	<u>26,401,205</u>	<u>24,478,928</u>	<u>22,554,304</u>	<u>24,627,480</u>	<u>27,187,044</u>
<u>\$ 76,780,885</u>	<u>\$ 81,011,692</u>	<u>\$ 73,853,923</u>	<u>\$ 69,127,590</u>	<u>\$ 72,273,223</u>	<u>\$ 86,106,594</u>
\$ 135,242	\$ 159,535	\$ 131,383	\$ 422,983	\$ 630,363	\$ 420,541
2,894,515	2,597,631	2,024,041	1,449,576	2,504,688	1,858,676
1,256,034	1,290,885	492,827	843,374	1,124,631	1,092,777
802,568	1,058,007	790,736	831,192	818,958	958,482
1,960,737	1,504,425	3,270,198	1,889,171	1,516,275	2,361,002
111,051	116,567	-	-	-	226,376
<u>7,160,147</u>	<u>6,727,050</u>	<u>6,709,185</u>	<u>5,436,296</u>	<u>6,594,915</u>	<u>6,917,854</u>
22,394,948	21,229,151	21,779,611	21,575,460	24,479,806	24,048,164
1,104,982	1,137,792	1,102,664	1,106,028	1,106,059	1,122,971
-	-	-	200,991	158,693	170,079
3,147,745	3,269,784	1,804,763	1,783,144	2,394,881	3,596,871
5,947	-	-	-	-	-
179,560	629,288	466,764	404,716	369,783	400,058
<u>26,833,182</u>	<u>26,266,015</u>	<u>25,153,802</u>	<u>25,070,339</u>	<u>28,509,222</u>	<u>29,338,143</u>
<u>\$ 33,993,329</u>	<u>\$ 32,993,065</u>	<u>\$ 31,862,987</u>	<u>\$ 30,506,635</u>	<u>\$ 35,104,137</u>	<u>\$ 36,255,997</u>

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

	Fiscal Year			
	2014	2015	2016	2017
Net (Expense)/Revenue				
Governmental activities	\$(37,408,318)	\$(40,638,439)	\$(45,906,913)	\$(44,667,833)
Business-type activities	723,766	864,853	656,173	2,433,061
	<u>\$(36,684,552)</u>	<u>\$(39,773,586)</u>	<u>\$(45,250,740)</u>	<u>\$(42,234,772)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes, penalty and interest	\$ 13,545,880	\$ 14,087,316	\$ 13,982,919	\$ 14,814,146
Sales taxes	19,376,108	20,716,458	20,685,644	20,043,791
Franchise taxes	3,088,049	3,038,771	2,967,123	2,961,774
Occupancy taxes	565,970	646,284	716,281	705,786
Investment earnings (losses)	318,888	275,954	385,477	430,170
Grants and contributions	-	-	-	-
Miscellaneous	513,042	1,172,033	280,870	1,251,454
Transfers	-	76,667	180,384	234,451
	<u>\$ 37,407,937</u>	<u>\$ 40,013,483</u>	<u>\$ 39,198,698</u>	<u>\$ 40,441,572</u>
Business-type activities				
Investment earnings (losses)	\$ 102,566	\$ 104,120	\$ 132,649	\$ 154,350
Miscellaneous	-	-	-	-
Transfers	-	(76,667)	(180,384)	(234,451)
	<u>102,566</u>	<u>27,453</u>	<u>(47,735)</u>	<u>(80,101)</u>
	<u>\$ 37,510,503</u>	<u>\$ 40,040,936</u>	<u>\$ 39,150,963</u>	<u>\$ 40,361,471</u>
Change in Net Position				
Governmental activities	\$ (381)	\$ (624,956)	\$ (6,708,215)	\$ (4,226,261)
Business-type activities	826,332	892,306	608,438	2,352,960
	<u>\$ 825,951</u>	<u>\$ 267,350</u>	<u>\$ (6,099,777)</u>	<u>\$ (1,873,301)</u>

Table A-2

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$(45,364,938)	\$(47,883,437)	\$(42,665,810)	\$(41,136,990)	\$(41,050,828)	\$(52,001,696)
2,577,382	(135,190)	674,874	2,516,035	3,881,742	2,151,099
<u>\$(42,787,556)</u>	<u>\$(48,018,627)</u>	<u>\$(41,990,936)</u>	<u>\$(38,620,955)</u>	<u>\$(37,169,086)</u>	<u>\$(49,850,597)</u>
\$ 15,383,521	\$ 16,292,473	\$ 18,389,781	\$ 19,906,761	\$ 20,699,923	\$ 22,070,415
20,935,157	20,661,292	19,777,236	21,994,035	24,292,054	24,491,658
2,975,917	2,935,945	2,669,328	2,563,184	2,663,951	2,694,566
768,618	905,677	660,845	613,169	958,104	1,020,995
799,902	1,539,049	1,160,273	136,883	(812,485)	3,149,934
-	-	-	-	9,606,179	-
1,245,930	1,189,108	692,722	983,535	774,268	1,693,590
225,000	238,344	100,000	99,439	(1,345,659)	(146,750)
<u>\$ 42,334,045</u>	<u>\$ 43,761,888</u>	<u>\$ 43,450,185</u>	<u>\$ 46,297,006</u>	<u>\$ 56,836,335</u>	<u>\$ 54,974,408</u>
\$ 249,592	\$ 509,870	\$ 346,862	\$ 66,223	\$ (111,314)	\$ 860,026
-	-	-	-	-	-
(225,000)	(238,344)	(100,000)	(99,439)	1,345,659	146,750
24,592	271,526	246,862	(33,216)	1,234,345	1,006,776
<u>\$ 42,358,637</u>	<u>\$ 44,033,414</u>	<u>\$ 43,697,047</u>	<u>\$ 46,263,790</u>	<u>\$ 58,070,680</u>	<u>\$ 55,981,184</u>
\$ (3,030,893)	(4,121,549)	784,375	5,160,016	15,785,507	2,972,712
2,601,974	136,336	921,736	2,482,819	5,116,087	3,157,875
<u>\$ (428,919)</u>	<u>\$ (3,985,213)</u>	<u>\$ 1,706,111</u>	<u>\$ 7,642,835</u>	<u>\$ 20,901,594</u>	<u>\$ 6,130,587</u>

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

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 1,883	\$ 1,883	\$ 1,883	\$ 1,883
Restricted	1,854,120	2,344,861	3,104,302	4,086,043
Committed	198,349	305,069	365,042	-
Assigned	560,867	586,595	581,219	568,555
Unassigned	<u>8,389,715</u>	<u>9,049,255</u>	<u>9,172,096</u>	<u>9,162,496</u>
Total general fund	<u>\$ 11,004,934</u>	<u>\$ 12,287,663</u>	<u>\$ 13,224,542</u>	<u>\$ 13,818,977</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	24,936,284	19,363,093	21,662,950	14,851,969
Assigned	-	-	-	-
Unassigned	<u>22,228,199</u>	<u>18,697,454</u>	<u>17,066,513</u>	<u>18,295,467</u>
Total all other governmental funds	<u>\$ 47,164,483</u>	<u>\$ 38,060,547</u>	<u>\$ 38,729,463</u>	<u>\$ 33,147,436</u>

Note: The City changed the classifications used to report fund balances when it implemented GASB Statement 54 in fiscal year 2011 and applied retrospectively to the comparative information shown for fiscal year 2010.

Table A-3

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 2,401	\$ 1,883	\$ 1,881	\$ 1,883	\$ 1,883	\$ 27,883
5,446,104	5,083,249	5,844,743	6,139,054	6,852,281	7,687,793
-	-	-	-	-	-
18,254	23,575	29,620	29,630	26,558	22,907
<u>8,989,839</u>	<u>9,702,437</u>	<u>9,584,839</u>	<u>9,544,066</u>	<u>21,031,771</u>	<u>21,654,580</u>
<u>\$ 14,456,598</u>	<u>\$ 14,811,144</u>	<u>\$ 15,461,083</u>	<u>\$ 15,714,633</u>	<u>\$ 27,912,493</u>	<u>\$ 29,393,163</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14,292,760	23,756,410	21,575,718	18,318,313	22,640,273	23,097,819
-	-	-	-	17,814,621	21,520,579
<u>18,887,440</u>	<u>17,682,803</u>	<u>19,946,306</u>	<u>22,251,573</u>	<u>(4,729)</u>	<u>-</u>
<u>\$ 33,180,200</u>	<u>\$ 41,439,213</u>	<u>\$ 41,522,024</u>	<u>\$ 40,569,886</u>	<u>\$ 40,450,165</u>	<u>\$ 44,618,398</u>

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes	\$ 36,605,578	\$ 38,494,929	\$ 38,414,972	\$ 38,900,450
Licenses/permits	725,334	707,089	782,782	878,517
Support from governmental entities	745,240	767,772	874,576	1,613,979
Charges for services	1,893,181	1,699,806	2,035,396	2,065,177
Fines and fees	2,520,998	2,405,478	2,448,040	2,436,813
Investment earnings (losses)	261,494	218,049	313,953	412,492
Miscellaneous	507,367	1,068,886	543,025	1,195,603
	<u>43,259,192</u>	<u>45,362,009</u>	<u>45,412,744</u>	<u>47,503,031</u>
Expenditures				
General government	2,315,113	2,976,887	3,268,525	3,664,549
Public safety	20,214,409	20,798,447	21,506,049	23,618,438
Culture and recreation	8,434,981	8,436,777	9,344,037	9,950,204
Public works	1,540,946	1,754,088	2,095,586	2,109,784
Capital outlay	14,132,822	15,866,943	6,787,480	8,313,541
Debt service				
Principal	3,327,924	3,459,807	3,134,902	3,466,724
Interest and fiscal agent fees	2,089,622	2,206,311	2,287,885	2,119,020
Bond issuance costs	-	-	-	-
	<u>52,055,817</u>	<u>55,499,260</u>	<u>48,424,464</u>	<u>53,242,260</u>
Excess of revenues over (under) expenditures	(8,796,625)	(10,137,251)	(3,011,720)	(5,739,229)
Other Financing Sources (Uses)				
Capital lease	-	490,105	-	-
Proceeds from borrowing	7,355,000	2,625,000	4,905,000	1,180,000
Proceeds from refunding	5,705,000	3,235,000	11,240,000	1,500,000
Premium on bond issuance	603,685	574,285	1,931,800	-
Payments to escrow agent	(5,984,367)	(3,505,346)	(12,517,062)	(1,478,363)
Leases issued	-	-	-	-
Subscriptions	-	-	-	-
Transfers in	4,084,294	3,475,606	3,414,597	3,395,882
Transfers out	(4,446,072)	(4,578,606)	(4,356,820)	(3,845,882)
	<u>7,317,540</u>	<u>2,316,044</u>	<u>4,617,515</u>	<u>751,637</u>
Net Change in Fund Balances	<u>\$ (1,479,085)</u>	<u>\$ (7,821,207)</u>	<u>\$ 1,605,795</u>	<u>\$ (4,987,592)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>16.67%</u>	<u>16.68%</u>	<u>14.97%</u>	<u>14.20%</u>

Table A-4

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 40,069,713	\$ 40,797,443	\$ 41,476,811	\$ 44,978,994	\$ 48,720,756	\$ 50,292,941
825,525	1,091,085	811,270	861,307	861,582	1,039,614
1,960,737	1,504,425	3,270,198	1,889,171	11,122,454	2,361,002
2,126,300	2,319,048	1,527,628	6,925,652	2,349,819	2,286,995
2,516,568	1,498,576	1,120,244	700,005	620,296	459,759
774,577	1,290,490	975,831	103,865	(638,873)	2,795,644
1,056,666	1,081,968	619,891	732,308	566,599	545,920
<u>49,330,086</u>	<u>49,583,035</u>	<u>49,801,873</u>	<u>56,191,302</u>	<u>63,602,633</u>	<u>59,781,875</u>
3,472,880	4,380,033	4,722,080	6,394,535	4,076,566	3,745,565
23,423,951	23,808,440	23,035,269	24,703,321	24,967,834	26,694,706
10,078,424	9,893,956	8,100,441	9,413,588	9,453,611	9,991,630
2,036,102	2,317,724	2,371,726	3,410,230	3,046,937	2,773,546
4,132,380	3,762,850	5,706,338	6,682,999	5,244,739	4,714,128
3,428,872	3,065,000	3,400,000	3,600,000	3,600,000	3,744,834
1,961,100	1,855,604	2,055,757	1,679,755	1,612,804	1,556,838
-	-	-	205,774	-	-
<u>48,533,709</u>	<u>49,083,607</u>	<u>49,391,611</u>	<u>56,090,202</u>	<u>52,002,491</u>	<u>53,221,247</u>
796,377	499,428	410,262	101,100	11,600,142	6,560,628
-	-	-	-	-	-
-	9,175,000	575,000	-	1,975,000	-
-	-	-	13,350,000	-	-
-	453,618	-	-	70,638	-
-	-	-	(13,404,894)	-	-
-	-	-	-	-	130,686
-	-	-	-	-	284,915
3,790,919	3,552,517	4,588,565	4,099,745	26,583,718	6,045,751
(3,916,911)	(5,067,004)	(4,841,077)	(4,844,539)	(28,151,359)	(7,373,077)
<u>(125,992)</u>	<u>8,114,131</u>	<u>322,488</u>	<u>(799,688)</u>	<u>477,997</u>	<u>(911,725)</u>
<u>\$ 670,385</u>	<u>\$ 8,613,559</u>	<u>\$ 732,750</u>	<u>\$ (698,588)</u>	<u>\$ 12,078,139</u>	<u>\$ 5,648,903</u>
<u>13.82%</u>	<u>12.18%</u>	<u>14.27%</u>	<u>12.02%</u>	<u>12.55%</u>	<u>12.27%</u>

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

Table A-5

Fiscal Year	Property	Sales/ Occupancy	Mixed Beverage	Franchise	Total
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	41,498,279
2021	20,408,258	21,862,706	131,331	2,563,183	44,965,478
2022	20,806,647	24,135,206	156,847	2,663,951	47,762,651
2023	22,057,559	24,343,605	148,052	2,673,895	49,223,111

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

Table B-1

Fiscal Year Ended September 30.	Residential Property	Commercial Property	Industrial Property	Appraised Value	Tax-Exempt Property	Total Direct Tax Rate
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
2022	2,526,894	1,460,400	25,992	4,013,286	318,917	0.625
2023	2,837,774	1,436,654	41,150	4,315,578	386,327	0.614

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 ^a			Tarrant County College
	Basic Rate	General Debt Service	Total Direct Rate	HEB School District	Tarrant County	Hospital	
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
2022	0.516794	0.108365	0.625	1.16080	0.22900	0.22443	0.13017
2023	0.513753	0.100290	0.614	1.10980	0.22400	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.

^a 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 Taxpayers
Current Year and Nine Years Ago

Table B-3

Taxpayer	2014			2023		
	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.	\$192,086,491	1	8.50%	\$113,879,578	1	3.05%
Shops at Northeast Mall LLC			-	67,000,000	2	1.79%
Westdale Hills 2013 LP			-	61,712,957	3	1.65%
Cooks creek 255 LLC			-	40,000,000	4	1.07%
WWC LII LP				33,700,000	5	0.90%
Kelly-Moore Paint Co. Inc.	19,496,770	5	0.86%	31,581,110	6	0.85%
Oncor Electric Delivery CO LLC	16,834,029	8	0.74%	21,500,343	7	0.58%
Arts Apartments At Park Place				21,500,000	8	0.58%
Wal-Mart Real Estate Bus Trust/Wal-Mart	23,688,556	3	1.05%	20,421,522	9	0.55%
Mayfair Station LLC	14,350,000	10	0.63%	20,078,920	10	0.54%
Dillard Tx LP	23,858,280	2	1.06%	-		0.00%
Hurst City Apt Partners Ltd.	18,600,000	6	0.82%	-		0.00%
Somerset Village Partners LP	20,472,222	4	0.91%	-		0.00%
Macy's Texas	17,442,914	7	0.77%	-		0.00%
Cook Children's Medical Center	16,241,834	9	0.72%	-		0.00%
Total	\$363,071,096		16.06%	\$431,374,430		11.56%

Source: Tarrant Appraisal District

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

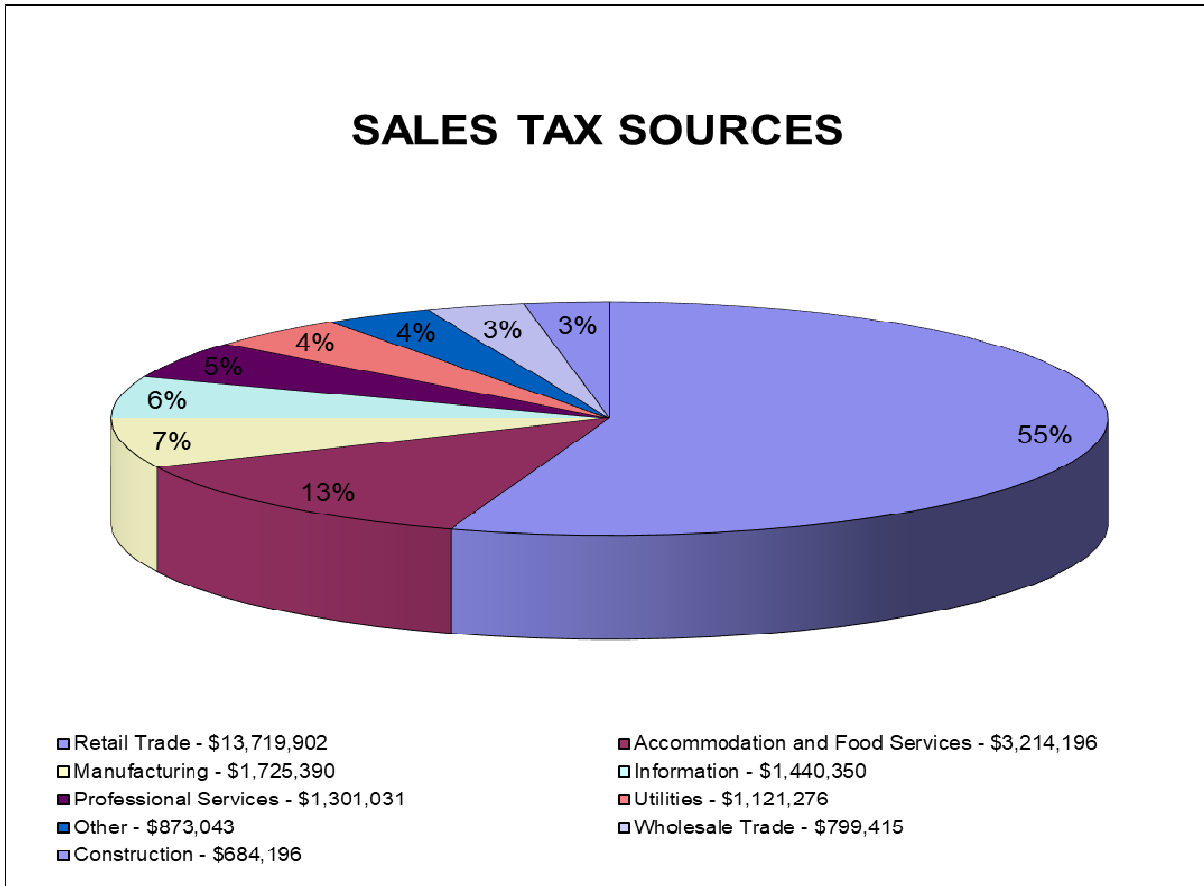
Table B-4

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
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	16,126,958	100.1%
2019	17,258,532	17,049,741	98.8%	51,611	17,101,352	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%
2022	20,768,009	20,666,468	99.5%	1,158	20,667,626	99.5%
2023	22,118,653	21,959,820	99.3%	(43,786)	21,916,034	99.1%

Source: Tarrant County tax assessor and collector.

City of Hurst, Texas
Sales Tax Sources by NAICS Code
September 30, 2023

Table B-5



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, Educational, Health Care, Arts, and Public Administration/Other 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
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	5,313,251
2022	12,303,493	178,388	12,125,105	6,097,685	6,151,956	-	6,151,956
2023	12,423,433	223,859	12,199,574	6,172,240	6,210,611	-	6,210,611
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, 2023

Table B-7

	Consumption (1,000 Gallons)	Water Amount	Sewer Amount	Total Bill
City of Hurst	86,287	\$656,118	\$78,209	\$734,327
Westdale Asset Mgr.	56,200	522,464	283,841	\$806,305
Brookwind Ltd.	31,353	263,286	183,156	\$446,442
GR Asset N Booth Calloway LLC	27,113	228,903	160,823	\$389,726
Tarrant County College	23,554	177,167	38,361	\$215,528
Wellesley Park Apts	23,039	195,835	133,208	\$329,043
Simon Properties	21,498	164,149	100,402	\$264,551
Valley Oaks	16,685	163,461	135,488	\$298,949
Hurst-Eules-Bedford ISD	16,260	124,347	31,181	\$155,528
Tribecca Pointe Apartments	<u>14,876</u>	<u>131,715</u>	<u>98,368</u>	<u>\$230,083</u>
Total	<u>316,865</u>	<u>\$ 2,627,445</u>	<u>\$ 1,243,037</u>	<u>\$ 3,870,482</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 ^b	Per Capita ^a
	General Obligation Bonds	Lease Obligation	Certificates of Obligation and Notes	Sales Tax Revenue Bonds	Water Revenue Bonds	Certificates of Obligation	Revenue and General Obligation Refunding				
2014	\$ 30,455	\$ 1,256	\$ 24,116	\$ 1,020	\$ -	\$ 6,781	\$ 7,392	\$ 71,020	6.51%	\$ 1,855	
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	65,858	5.36%	1,693	
2021	39,135	-	14,095	-	-	2,040	5,310	60,580	4.93%	1,556	
2022	36,343	-	15,105	-	-	1,925	4,332	57,705	4.42%	1,427	
2023	33,514	-	14,045	-	-	1,730	3,541	52,830	3.70%	1,306	

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

^b 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	<u>General Bonded Debt Outstanding</u>				Less Debt Service Fund	Net Bonded Debt	Percentage of Appraised Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Certificates of Obligation	Total					
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	
2022	40,676	17,030	57,705	1,134	56,571	1.41%	1,399	
2023	37,055	15,775	52,830	1,156	51,674	1.20%	1,277	

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 and Business-Type Activities, net of original issuance discounts and premiums.

^a See Table B-1 for property value data.

^b Population data can be found in Table D-1.

City of Hurst, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2023
(dollars in thousands)

Table C-3

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Direct and Overlapping Debt
Direct			
City of Hurst	\$ 48,512	100%	\$ 48,512
Debt Repaid with Property Taxes			
Hurst-Euless-Bedford Independent School District	295,350 *	12.88%	38,041
Birdville Independent School District	655,275 *	9.28%	60,810
Grapevine/Colleyville Independent School District	289,241 *	0.68%	1,967
Tarrant County	376,120 *	1.60%	6,018
Tarrant County College District	591,230 *	1.60%	9,460
Tarrant County Hospital District	448,410 *	1.60%	7,175
Keller Independent School District	782,925 *	0.21%	1,644
Subtotal, overlapping debt			<u>125,115</u>
Total direct and overlapping debt			<u>\$ 173,627 ^b</u>

^a **Source:** Texas Municipal Reports

^b 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, 2023, was:

Maximum rate per \$100 valuation under Article XI	\$ 2.500000
City of Hurst's 2022-23 rate	<u>0.614043</u>
Margin	<u>\$ 1.885957</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	
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%
2022	24,479,806	19,182,933	5,296,873	-	-	0.00%
2023	24,048,164	20,169,110	3,879,054	-	-	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.

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

^b Excludes one-time, pay-as-you-go capital project costs.

Table C-5

Sales Tax Revenue Bonds ^a					
HCCSDC Sales Tax Revenue	Less: Operating Expenses ^b	Net Available Revenue	Debt Service		Coverage
			Principal	Interest	
\$ 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	-	-	-
6,151,956	3,497,697	2,654,259	-	-	-
6,210,611	3,808,497	2,402,114	-	-	-

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

Table D-1

Calendar Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment	Unemployment Rate
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%
2022	40,430	1,306,374	32,312	37.8	13.7	6,118	3.4%
2023	40,452	1,427,025	35,277	38.1	13.8	5,986	4.1%

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

Employer	2014			2023		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Bell Helicopter Textron, Inc.	3,550	1	17.68%	4,200	1	20.09%
North East Mall (Collective employment of stores other than major employers listed)	1,800	2	8.96%	1,706	2	8.16%
Shops at Northeast Mall (Outside)	790	3	3.93%	800	3	3.83%
HEB ISD	-			693	4	3.31%
Tarrant County College	500	4	2.49%	575	5	2.75%
Walmart Supercenter	450	5	2.24%	479	6	2.29%
City of Hurst	379	6	1.89%	412	7	1.97%
Dillard's Department Store	375	7	1.87%	338	8	1.62%
Macy's	220	8	1.10%	231	9	1.10%
J.C. Penney Company	190	9	0.95%	225	10	1.08%
Target Superstore	175	10	0.87%	-		-
Total	8,429		41.98%	9,659		46.20%

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				
	2014	2015	2016	2017	2018
General Government					
Management services	8.7	7.0	8.0	8.0	8.0
Finance	10.0	9.0	9.0	9.0	9.0
Planning	6.0	6.0	6.0	6.0	6.0
Building	3.0	2.0	2.0	2.0	2.0
Other	38.2	42.0	36.5	34.2	35.1
Conference Center	21.3	24.2	24.2	21.7	21.7
Police					
Officers	75.0	75.0	75.0	75.0	75.0
Civilians	54.5	49.5	48.5	48.5	48.5
Fire					
Firefighters and officers	56.0	56.0	56.0	56.0	56.0
Civilians	1.9	1.6	1.6	1.5	1.5
Other Public Works					
Engineering	8.7	9.2	9.2	9.2	9.0
Other	19.6	19.8	23.9	23.9	23.9
Parks and Recreation	67.2	69.2	66.1	70.2	72.9
Library	27.5	26.7	26.7	28.3	28.3
Water	23.7	23.5	19.0	19.0	19.0
Wastewater	9.0	9.0	10.0	10.0	10.0
Total	<u>430.3</u>	<u>429.7</u>	<u>421.7</u>	<u>422.5</u>	<u>425.9</u>

Source: Human Resources and Budget Offices.

Table E-1

Fiscal Year				
2019	2020	2021	2022	2023
7.0	7.0	7.0	7.5	8.5
9.0	9.0	9.0	10.0	10.0
6.0	6.0	6.0	5.0	5.0
2.0	2.0	2.0	2.0	2.0
34.0	34.0	34.0	30.8	31.5
21.7	21.7	21.7	21.5	22.5
75.0	75.0	75.0	74.0	74.0
56.5	56.5	56.5	56.5	54.5
56.0	56.0	56.0	56.0	56.0
1.5	1.5	1.0	1.0	1.0
9.0	9.0	9.0	8.0	8.5
24.6	24.6	23.6	23.5	24.0
49.5	49.5	58.5	65.0	73.0
23.5	23.5	23.5	23.5	21.5
19.0	19.0	19.0	19.0	19.0
10.0	10.0	10.0	10.0	10.0
<u>404.4</u>	<u>404.4</u>	<u>411.8</u>	<u>413.3</u>	<u>421.0</u>

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

Function/Program	Fiscal Year				
	2014	2015	2016	2017	2018
General Government					
Building permits issued					
Commercial					
Number issued	136	111	123	136	132
Estimated cost	\$ 14,761,218	\$ 34,515,346	\$ 35,918,137	\$ 24,515,873	\$ 14,936,691
Residential					
Number issued	144	128	191	158	124
Estimated cost	\$ 4,787,971	\$ 3,111,349	\$ 4,831,284	\$ 3,514,922	\$ 5,161,297
Public Safety					
Police					
Physical arrests	2,857	2,897	2,592	2,607	2,351
Parking violations	141	197	152	168	148
Traffic violations	17,894	15,996	15,327	14,942	13,581
Fire/Emergency Medical Services					
Emergency responses	4,468	4,702	4,811	4,873	4,996
Patients transported	2,170	2,040	2,267	2,216	2,065
Fires extinguished	91	86	112	100	122
Average Response Time:					
Fire	5:11	5:01	5:06	4:35	5:07
EMS	5:06	5:03	4:28	4:59	5:09
Inspections	1,412	847	579	300	1,584
Public Works					
Street resurfacing (miles)	5	8	7	7	6
Potholes repaired (sq. yards)	26,000	11,537	12,200	6,612	4,540
Culture and Recreation					
Parks and recreation					
Athletic field reservations issued	88	92	87	60	51
Recreation center admissions	296,719	290,380	281,861	270,356	240,979
Library					
Volumes in collection	161,608	142,851	145,474	142,751	135,659
Total volumes borrowed	434,205	405,826	378,417	348,932	416,395
Water and Sewer					
Water customer billings at 9/30	12,237	12,226	12,257	12,327	12,193
Water main breaks	56	84	40	27	41
Average daily consumption (millions of gallons)	5.16	4.96	4.90	5.02	5.23

Sources: Various city departments.

^a 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				
2019	2020	2021	2022	2023
145	95	81	225	206
\$ 48,862,248	\$ 29,666,561	\$ 5,935,919	\$ 68,955,551	\$66,427,532
98	102	127	413	608
\$ 83,202 (a)	\$ - (a)	\$ 34,002 (a)	34,669 (a)	N/A (a)
1,901	1,493	1,618	1,458	1,452
93	96	76	194	38
10,590	6,592	4,644	3,112	3,147
4,867	4,911	5,385	5,312	5,330
2,131	2,136	2,340	2,279	2,541
85	88	107	139	121
5:01	5:25	5:57	5:44	5:48
5:36	5:07	5:01	5:05	5:50
1,651	600	195	344	1,327
7	6	5	5	9
2,317	2,539	728	715	225
55	17	11	468	458
236,039	128,271	116,210	135,529	125,512
124,157	120,707	122,145	123,381	123,543
411,691	242,686	253,296	290,074	242,262
12,385	12,385	12,393	12,318	12,520
39	39	31	57	35
4.88	4.96	5.03	3.22	4.90

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

Function/Program	Fiscal Year Ended				
	2014	2015	2016	2017	2018
Police					
Stations	1	1	1	1	1
Store fronts	2	3	2	2	2
Patrol units	30	27	26	28	28
Fire Stations	3	3	3	3	3
Other Public Works					
Streets (miles)	146	146	148	148	148
Traffic signals	55	55	56	56	56
Parks and Recreation					
Acreage	280	290	280	280	280
Playgrounds	16	16	16	16	16
Family aquatic centers	2	2	2	2	2
Water					
Water mains (miles)	199.00	201.11	204.00	205.00	205
Fire hydrants	1,205	1,233	1,226	1,235	1,240
Storage capacity (millions of gallons)	8.00	9.40	9.40	9.40	9.4
Wastewater					
Sanitary sewers (miles)	154.20	153.06	154.50	154.50	154.84
Storm sewers (miles)	86.00	88.95	86.00	86.00	86.00

Sources: Various city departments.

Table E-3

Fiscal Year Ended				
2019	2020	2021	2022	2023
1	1	1	1	1
2	2	2	2	1
28	28	28	27	27
3	3	3	3	3
148	148	148	148	148
56	56	56	56	56
280	280	280	280	280
16	16	16	15	15
2	2	2	2	2
205	205	205	210	210
1,330	1,339	1,339	1,356	1,356
9.4	9.4	9.4	9.4	9.4
155.00	155.00	155.00	150.90	150.90
86.00	86.00	86.00	92.90	92.90

