
City of Ennis, Texas

Annual Comprehensive Financial Report

For the Fiscal Year Ended
September 30, 2023



City of Ennis, Texas
September 30, 2023

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March 27, 2024

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

State and Federal regulations require that local governments publish a complete set of audited financial statements within six months of each fiscal year's close. This Annual Comprehensive Financial Report (ACFR) for the City of Ennis (City) is published to fulfill those requirements for the fiscal year ended September 30, 2023. Management assumes full responsibility for the completeness and reliability of the information in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. FORVIS, LLP, Certified Public Accountants, has issued unmodified ("clean") opinions on the City of Ennis' financial statements for the year ended September 30, 2023. The independent auditors' report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY OF ENNIS

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

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



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

LOCAL ECONOMY

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

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

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

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



The bluebonnet spirit of Texas

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LONG-TERM FINANCIAL PLANNING

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

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

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

Respectfully submitted,

Marty Nelson
City Manager

Stephen Barnes
Director of Finance

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City of Ennis, Texas
GFOA Certificate of Achievement
September 30, 2023



Government Finance Officers Association

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

Presented to

**City of Ennis
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

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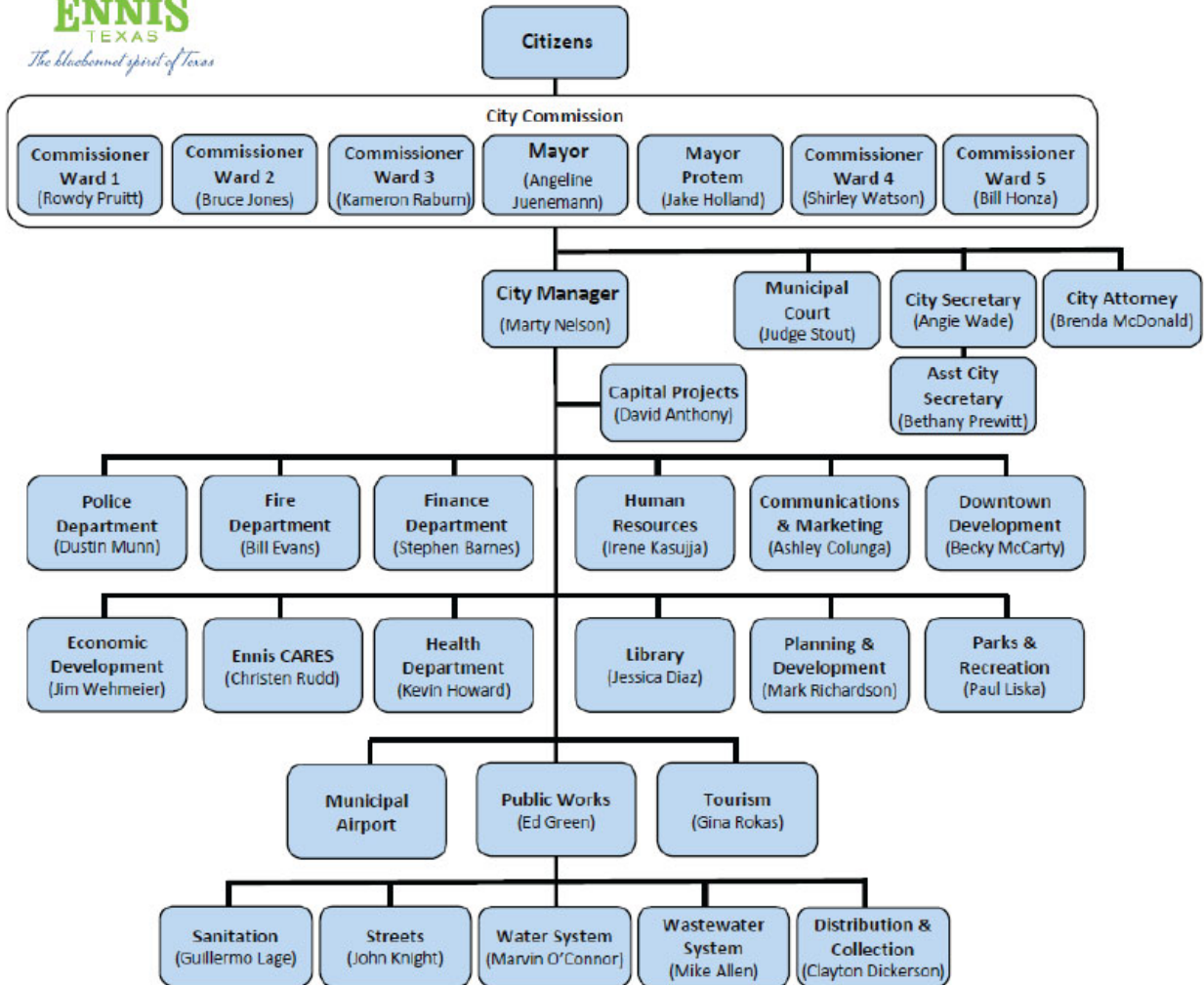
City of Ennis, Texas

Organizational Chart

September 30, 2023



Organizational Chart



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City of Ennis, Texas
List of Elected Officials, Administrators, and Consultants
September 30, 2023

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

ADMINISTRATION

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

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Financial Section

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Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ennis, Texas (City) as of and for the year ended September 30, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and the statistical section but does not include the 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.

FORVIS, LLP

**Dallas, Texas
March 27, 2024**

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City of Ennis, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

As management of the City of Ennis, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$119,300,616 (*net position*). Of this amount, \$20,220,627 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$15,472,844.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$57,067,083, a decrease of \$3,192,658 in comparison with the prior year primarily a result of bond proceeds spent during the year on capital projects throughout the City. Approximately 18 percent of this amount \$10,371,821 is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,377,383, or approximately 33 percent of the total general fund expenditures.

Overview of the Financial Statements

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

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

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

City of Ennis, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate economic development corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. Complete financial statements for the component unit are available from the City Finance Director upon request.

The government-wide financial statements can be found on pages 16-17 of this report.

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

City of Ennis, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

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

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

The City maintains twenty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, QIPP Fund, General Capital Projects Fund, and the Debt Service Fund, which are considered to be major funds. Data from the other twenty-three governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

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

The basic governmental fund financial statements can be found on pages 18-22 of this report.

City of Ennis, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

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

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

The basic proprietary fund financial statements can be found on pages 23-25 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-67 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligations to provide pension and supplemental death benefits to its employees. Required supplementary information can be found on pages 68-70 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 73-93 of this report.

City of Ennis, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$119,300,616, at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 72,116,806	\$ 77,324,052	\$ 25,144,242	\$ 27,242,044	\$ 97,261,048	\$ 104,566,096
Capital assets	105,778,193	96,481,943	57,546,127	52,377,527	163,324,320	148,859,470
Total assets	177,894,999	173,805,995	82,690,369	79,619,571	260,585,368	253,425,566
Total deferred outflows of resources	8,348,447	3,014,312	2,043,168	712,305	10,391,615	3,726,617
Long term liabilities	102,879,112	97,795,051	32,638,604	31,615,732	135,517,716	129,410,783
Other liabilities	11,403,329	14,335,161	3,847,501	3,817,206	15,250,830	18,152,367
Total liabilities	114,282,441	112,130,212	36,486,105	35,432,938	150,768,546	147,563,150
Total deferred inflows of resources	765,255	4,629,578	142,566	1,131,683	907,821	5,761,261
Net position						
Net investment in capital assets	39,784,516	29,775,266	41,649,621	40,714,128	81,434,137	70,489,394
Restricted	17,645,852	12,505,972	-	-	17,645,852	12,505,972
Unrestricted	13,765,382	17,779,279	6,455,245	3,053,127	20,220,627	20,832,406
Total net position	\$ 71,195,750	\$ 60,060,517	\$ 48,104,866	\$ 43,767,255	\$ 119,300,616	\$ 103,827,772

By far, the largest portion of the City's net position (68.26 percent) reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, and water rights), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (14.79 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$20,220,627 is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

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

City of Ennis, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

The City's overall net position increased \$15,472,844 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 308,157,515	\$ 223,506,754	\$ 15,213,008	\$ 13,878,836	\$ 323,370,523	\$ 237,385,590
Operating grants and contributions	1,468,417	2,861,286	-	53,989	1,468,417	2,915,275
Capital grants and contributions	5,532,214	3,462,565	1,959,294	2,052,038	7,491,508	5,514,603
General revenues						
Property taxes	19,450,555	15,820,591	-	-	19,450,555	15,820,591
Sales taxes	10,360,250	10,771,085	-	-	10,360,250	10,771,085
Franchise taxes	2,037,382	1,933,079	-	-	2,037,382	1,933,079
Hotel occupancy taxes	533,543	490,768	-	-	533,543	490,768
Alcoholic beverage taxes	93,764	76,540	-	-	93,764	76,540
Grants and contributions not restricted to specific programs	-	-	2,276,597	2,772,566	2,276,597	2,772,566
Investment earnings	345,584	93,741	169,958	91,511	515,542	185,252
Gain on sale of capital assets	236,193	-	-	113,412	236,193	113,412
Miscellaneous	434,456	885,177	-	-	434,456	885,177
Total revenues	<u>348,649,873</u>	<u>259,901,586</u>	<u>19,618,857</u>	<u>18,962,352</u>	<u>368,268,730</u>	<u>278,863,938</u>
Expenses						
General government	8,963,262	5,118,335	-	-	8,963,262	5,118,335
Public safety	16,648,611	13,714,222	-	-	16,648,611	13,714,222
Streets	6,902,210	3,930,028	-	-	6,902,210	3,930,028
Health	298,309,815	218,194,521	-	-	298,309,815	218,194,521
Equipment services	310,039	344,990	-	-	310,039	344,990
Cultural and recreational	2,632,593	2,103,452	-	-	2,632,593	2,103,452
Airport	-	-	252,448	218,031	252,448	218,031
Hospital	716,788	1,128,807	-	-	716,788	1,128,807
Public works	797,406	645,638	-	-	797,406	645,638
Interest on long-term debt	3,224,991	2,637,086	-	-	3,224,991	2,637,086
Utility	-	-	12,370,761	11,200,785	12,370,761	11,200,785
Sanitation	-	-	1,666,962	1,348,575	1,666,962	1,348,575
Total expenses	<u>338,505,715</u>	<u>247,817,079</u>	<u>14,290,171</u>	<u>12,767,391</u>	<u>352,795,886</u>	<u>260,584,470</u>
Change in net position before transfers	10,144,158	12,084,507	5,328,686	6,194,961	15,472,844	18,279,468
Transfers	991,075	2,569,984	(991,075)	(2,569,984)	-	-
Change in net position	11,135,233	14,654,491	4,337,611	3,624,977	15,472,844	18,279,468
Net Position – Beginning	<u>60,060,517</u>	<u>45,406,026</u>	<u>43,767,255</u>	<u>40,142,278</u>	<u>103,827,772</u>	<u>85,548,304</u>
Net Position –Ending	<u>\$ 71,195,750</u>	<u>\$ 60,060,517</u>	<u>\$ 48,104,866</u>	<u>\$ 43,767,255</u>	<u>\$ 119,300,616</u>	<u>\$ 103,827,772</u>

City of Ennis, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$11,135,233 from the prior fiscal year for an ending balance of \$71,195,750. Revenues and expenses rose 34 percent and 37 percent, respectively, primarily as a result of the City's Quality Improvement Payment Program (QIPP) continuing to expand and capital contributions received from developers during 2023.

Business-type Activities. For the City's business-type activities, the results for the current fiscal year resulted in an increase in net position to an ending balance of \$48,104,866. The total increase in net position for business-type activities (utility, sanitation, and airport operations) was \$4,337,611 or 10 percent from the prior fiscal year. Revenues from charges for services rose \$1,334,172, or 10 percent due to continued growth in residential and commercial development and a budgeted wastewater rate increase. Total expenses before transfers increased \$1,552,780 in fiscal year 2023 due to maintaining an aging infrastructure and inflation increasing critical supply costs.

Financial Analysis of Governmental Funds

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

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

At September 30, 2023, the City's governmental funds reported combined fund balances of \$57,067,083, a decrease of \$3,192,658 in comparison with the prior year. Approximately 18 percent of this amount (\$10,371,821) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable or restricted to indicate that it is: 1) not in spendable form (\$5,270,402), 2) legally required to be maintained intact (\$28,966), or 3) restricted for particular purposes (\$41,395,894).

City of Ennis, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,377,383, while total fund balance decreased to \$10,438,560. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 33.47 percent of total general fund expenditures, while total fund balance represents approximately 33.67 percent of that same amount.

The fund balance of the City's general fund decreased by \$4,487,582 during the current fiscal year. Revenues increased by \$2,353,032 (9.7 percent) above the previous year due to an increase in property tax contributing \$1,656,816 to the increase. General fund expenditures increased \$8,221,847 due to the purchase of the City Hall building and other one-time capital expenditures as well as inflation increasing the cost of supplies and personnel costs associated with pay increases and new positions.

The QIPP fund, a major governmental fund, has a \$6,726,560 increase in fund balance during the current fiscal year which increased total fund balance to \$16,667,870. The increase in revenue and expenditures is primarily related to the City's continued expansion in the program during 2023.

The general capital projects fund, a major governmental fund, has a \$4,841,472 decrease in fund balance during the current fiscal year. The decrease is primarily a result of bond proceeds spent during the year on capital projects throughout the City.

The debt service fund, a major fund, had an increase in fund balance during the current year of \$55,620 to bring the year-end fund balance to \$161,217. The increase was primarily related to increased property tax collections during the year.

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

City of Ennis, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

Unrestricted net position of the Utility and Nonmajor Enterprise funds at the end of the year amounts to \$5,525,558 and \$251,819. Net position increased in 2023 by \$4,244,943 in the Utility fund and decreased by \$1,897 in the Nonmajor Enterprise funds. For the Utility fund, operating revenues increased in 2023 by \$1,215,864 (10.2 percent) due to continued growth in residential and commercial development and a budgeted wastewater rate increase. Operating expenses increased \$879,189 (8.4 percent) primarily due to the increased cost of personnel. For the Nonmajor Enterprise funds, operating revenues increased in 2023 by \$130,032 (6.8 percent). Operating expenses increased by \$352,804 (22.5 percent).

General Fund Budgetary Highlights

Final Budget Compared to Actual Results. General fund actual revenues of \$24,193,091 exceeded budgeted revenues of \$20,732,511 by \$3,461,390. Following are the main components that experienced an increase of actual revenue compared to budgeted revenue:

- Property and sales tax revenue exceeded budgeted revenue by a combined \$1,281,668 due to conservative budgeting, continued growth within the city, inflation spikes increasing the prices of goods and services, and continued economic growth in the commercial sector.
- Residential and commercial development has continued to increase beyond budgeted expectations resulting in an increase of \$151,071 over budgeted revenue for licenses and permits.

Actual general fund expenditures of \$31,002,074 exceeded budgeted expenditures of \$30,210,338. This \$791,736 negative variance in expenditures is due to onetime capital outlay to begin utilizing fund balance.

Capital and Lease Assets and Debt Administration

Capital and Lease Assets. The City's investment in capital and lease assets for its governmental and business-type activities as of September 30, 2023, amounts to \$163,324,320 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, and water rights. The total increase in capital assets for the current fiscal year was approximately 10 percent.

City of Ennis, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

Capital and Lease Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 6,444,748	\$ 6,424,748	\$ 1,088,290	\$ 1,088,290	\$ 7,533,038	\$ 7,513,038
Construction in progress	6,562,867	4,693,690	6,768,692	4,400,883	13,331,559	9,094,573
Buildings	37,466,937	33,765,389	2,637,057	2,795,932	40,103,994	36,561,321
Lease buildings	18,580	27,547	-	-	18,580	27,547
Improvements	9,239,998	7,029,155	45,664,145	42,556,077	54,904,143	49,585,232
Machinery and equipment	3,092,920	3,366,246	1,051,044	1,131,182	4,143,964	4,497,428
Infrastructure	42,603,777	40,984,633	-	-	42,603,777	40,984,633
Lease vehicles	348,366	190,535	69,739	104,609	418,105	295,144
Water rights	-	-	267,160	300,554	267,160	300,554
Total	<u>\$ 105,778,193</u>	<u>\$ 96,481,943</u>	<u>\$ 57,546,127</u>	<u>\$ 52,377,527</u>	<u>\$ 163,324,320</u>	<u>\$ 148,859,470</u>

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

- The purchase of the City Hall building as a cost of \$3,169,461
- Improvement and infrastructure additions of approximately \$6,938,055 consisting of new development contributions and improvements to high demand and high need areas of the City's streets and parks.
- Business-type construction in progress increased by \$2,367,809 as major water/wastewater infrastructure projects are anticipated to complete construction during FY23.

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

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$98,299,000, which is backed by the full faith and credit of the government. The remainder of the City's long-term obligations comprises development agreement payable and capital leases.

City of Ennis, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Certificates of obligation	\$ 68,139,000	\$ 71,959,000	\$ 27,365,000	\$ 28,740,000	\$ 95,504,000	\$ 100,699,000
General obligations	2,795,000	3,955,000	-	-	2,795,000	3,955,000
Lease liability	534,919	276,792	124,189	136,660	659,108	413,452
Development agreement payable	13,031,769	13,576,752	-	-	13,031,769	13,576,752
Total	<u>\$ 84,500,688</u>	<u>\$ 89,767,544</u>	<u>\$ 27,489,189</u>	<u>\$ 28,876,660</u>	<u>\$ 111,989,877</u>	<u>\$ 118,644,204</u>

The City's total debt decreased by \$6,654,327 (5.61 percent) during the current fiscal year due to the amortization of existing bonds.

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

Standard's & Poor's

General Obligation Bonds	AA-
Certificates of Obligation	AA

Additional information on the City's long term-debt can be found in *Note 2* on pages 48-53 of this report.

Economic Factors and Next Year's Budget Rates

The City considers many factors in setting the budget. Growth is still a trending occurrence, with Building permits exceeding 1,000 in 2023 and expected to continue at this rate through 2024.

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

City of Ennis, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

Requests for Information

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

Basic Financial Statements

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City of Ennis, Texas
Statement of Net Position
September 30, 2023

	Primary Government			Component Unit
	Governmental	Business-type	Total	Ennis
	Activities	Activities		Economic
Assets				Development
				Corporation
Cash and cash equivalents	\$ 57,150,322	\$ 7,754,206	\$ 64,904,528	\$ 5,822,980
Receivables (net of allowance for uncollectibles)	3,327,892	1,755,516	5,083,408	571,474
Lease receivable	274,288	36,341	310,629	-
Intergovernmental receivables	5,905,625	-	5,905,625	-
Internal balances	188,277	(188,277)	-	-
Inventories	61,177	170,981	232,158	-
Prepaid items	5,209,225	-	5,209,225	-
Restricted cash and cash equivalents	-	15,615,475	15,615,475	-
Capital and lease assets				
Non-depreciable	13,007,615	7,856,982	20,864,597	3,467,796
Depreciable (net of accumulated depreciation/amortization)	92,770,578	49,689,145	142,459,723	4,386,642
Total assets	<u>177,894,999</u>	<u>82,690,369</u>	<u>260,585,368</u>	<u>14,248,892</u>
Deferred Outflows of Resources				
Deferred charges on refunding	126,370	-	126,370	49,733
Deferred outflows of resources related to pension	7,988,601	2,017,002	10,005,603	-
Deferred outflows of resources related to OPEB	233,476	26,166	259,642	-
Total deferred outflows of resources	<u>8,348,447</u>	<u>2,043,168</u>	<u>10,391,615</u>	<u>49,733</u>
Liabilities				
Accounts payable and other current liabilities	3,730,754	2,730,226	6,460,980	65,959
Accrued payroll payable	822,489	212,109	1,034,598	-
Accrued interest payable	599,016	167,676	766,692	11,830
Line of credit	6,251,070	-	6,251,070	-
Customer deposits payable	-	737,490	737,490	-
Noncurrent liabilities:				
Due within one year	5,918,292	1,359,393	7,277,685	643,486
Due in more than one year	96,960,820	31,279,211	128,240,031	4,514,889
Total liabilities	<u>114,282,441</u>	<u>36,486,105</u>	<u>150,768,546</u>	<u>5,236,164</u>
Deferred Inflows of Resources				
Deferred inflows of resources related to pension	134,201	44,837	179,038	-
Deferred inflows of resources related to OPEB	379,091	62,196	441,287	-
Deferred inflows of resources related to leases	251,963	35,533	287,496	-
Total deferred inflows of resources	<u>765,255</u>	<u>142,566</u>	<u>907,821</u>	<u>-</u>
Net Position				
Net investment in capital assets	39,784,516	41,649,621	81,434,137	2,745,796
Restricted for:				
Capital projects	1,981,716	-	1,981,716	-
Cultural and recreational	1,262,006	-	1,262,006	-
Debt service	161,217	-	161,217	-
Economic development	-	-	-	6,316,665
Public safety	1,121,432	-	1,121,432	-
Streets	1,087,060	-	1,087,060	-
Tourism	573,776	-	573,776	-
Health	11,458,645	-	11,458,645	-
Unrestricted	13,765,382	6,455,245	20,220,627	-
Total net position	<u>\$ 71,195,750</u>	<u>\$ 48,104,866</u>	<u>\$ 119,300,616</u>	<u>\$ 9,062,461</u>

City of Ennis, Texas
Statement of Activities
For the Year Ended September 30, 2023

Function/Programs	Net (Expense) Revenue and Changes in Net Position							
	Program Revenues				Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Business-type	Total	Ennis
					Activities	Activities		Economic Development Corporation
Primary Government								
Governmental activities:								
General government	\$ 8,963,262	\$ 509,810	\$ 1,468,417	\$ 10,052	\$ (6,974,983)	\$ -	\$ (6,974,983)	\$ -
Public safety	16,648,611	567,633	-	7,200	(16,073,778)	-	(16,073,778)	-
Streets	6,902,210	-	-	5,411,330	(1,490,880)	-	(1,490,880)	-
Health	298,309,815	306,457,836	-	-	8,148,021	-	8,148,021	-
Equipment services	310,039	-	-	-	(310,039)	-	(310,039)	-
Cultural and recreational	2,632,593	66,938	-	103,632	(2,462,023)	-	(2,462,023)	-
Hospital	716,788	555,298	-	-	(161,490)	-	(161,490)	-
Public works	797,406	-	-	-	(797,406)	-	(797,406)	-
Interest	3,224,991	-	-	-	(3,224,991)	-	(3,224,991)	-
Total governmental activities	338,505,715	308,157,515	1,468,417	5,532,214	(23,347,569)	-	(23,347,569)	-
Business-type activities:								
Utility	12,370,761	13,181,315	-	1,959,294	-	2,769,848	2,769,848	-
Sanitation	1,666,962	1,822,276	-	-	-	155,314	155,314	-
Airport	252,448	209,417	-	-	-	(43,031)	(43,031)	-
Total business-type activities	14,290,171	15,213,008	-	1,959,294	-	2,882,131	2,882,131	-
Total primary government	\$ 352,795,886	\$ 323,370,523	\$ 1,468,417	\$ 7,491,508	(23,347,569)	2,882,131	(20,465,438)	-
Component Units								
Ennis Economic Development Corporation	\$ 5,069,580	\$ -	\$ -	\$ -	-	-	-	(5,069,580)
Total component units	\$ 5,069,580	\$ -	\$ -	\$ -	-	-	-	(5,069,580)
General Revenues and Transfers								
Property taxes					19,450,555	-	19,450,555	-
Sales taxes					10,360,250	-	10,360,250	3,450,083
Franchise taxes					2,037,382	-	2,037,382	-
Hotel occupancy taxes					533,543	-	533,543	-
Alcoholic beverage taxes					93,764	-	93,764	-
Grants not restricted to specific programs					-	2,276,597	2,276,597	-
Investment earnings					345,584	169,958	515,542	160,283
Gain on sale of capital asset					236,193	-	236,193	-
Miscellaneous					434,456	-	434,456	17,600
Transfers					991,075	(991,075)	-	-
Total general revenues and transfers					34,482,802	1,455,480	35,938,282	3,627,966
Change in net position					11,135,233	4,337,611	15,472,844	(1,441,614)
Net Position – Beginning					60,060,517	43,767,255	103,827,772	10,504,075
Net Position – Ending					\$ 71,195,750	\$ 48,104,866	\$ 119,300,616	\$ 9,062,461

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

City of Ennis, Texas
Balance Sheet
Governmental Funds
September 30, 2023

Assets	General	QIPP	General Capital Projects	Debt Service	Total Nonmajor Funds	Total Governmental Funds
Cash and cash equivalents	\$ 9,757,124	\$ 13,477,734	\$ 24,923,692	\$ 150,070	\$ 5,566,461	\$ 53,875,081
Receivables (net of allowance for uncollectibles)	2,535,555	-	-	124,240	668,097	3,327,892
Lease receivable	274,288	-	-	-	-	274,288
Intergovernmental receivables	-	5,905,625	-	-	-	5,905,625
Due from other funds	197,281	-	-	-	-	197,281
Inventories	61,177	-	-	-	-	61,177
Prepaid items	-	5,209,225	-	-	-	5,209,225
Total assets	\$ 12,825,425	\$ 24,592,584	\$ 24,923,692	\$ 274,310	\$ 6,234,558	\$ 68,850,569
Liabilities						
Accounts payable	\$ 844,336	\$ 1,512,158	\$ 1,173,650	\$ -	\$ 160,932	\$ 3,691,076
Accrued payroll payable	896,513	-	-	-	9,811	906,324
Due to other funds	17,211	-	-	-	5,562	22,773
Accrued interest payable	-	161,486	-	-	-	161,486
Line of credit	-	6,251,070	-	-	-	6,251,070
Total liabilities	1,758,060	7,924,714	1,173,650	-	176,305	11,032,729
Deferred Inflows of Resources						
Unavailable revenue – property taxes	171,714	-	-	113,093	8,859	293,666
Unavailable revenue – court	138,426	-	-	-	-	138,426
Unavailable revenue – other	66,702	-	-	-	-	66,702
Lease related	251,963	-	-	-	-	251,963
Total deferred inflows of resources	628,805	-	-	113,093	8,859	750,757
Fund Balances (Deficit)						
Nonspendable						
Endowment	-	-	-	-	28,966	28,966
Inventories	61,177	-	-	-	-	61,177
Prepaid items	-	5,209,225	-	-	-	5,209,225
Restricted						
Capital projects	-	-	23,750,042	-	1,981,716	25,731,758
Cultural and recreational	-	-	-	-	1,262,006	1,262,006
Debt service	-	-	-	161,217	-	161,217
Public safety	-	-	-	-	1,121,432	1,121,432
Streets	-	-	-	-	1,087,060	1,087,060
Tourism	-	-	-	-	573,776	573,776
Health	-	11,458,645	-	-	-	11,458,645
Unassigned (deficit)	10,377,383	-	-	-	(5,562)	10,371,821
Total fund balances	10,438,560	16,667,870	23,750,042	161,217	6,049,394	57,067,083
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,825,425	\$ 24,592,584	\$ 24,923,692	\$ 274,310	\$ 6,234,558	\$ 68,850,569

City of Ennis, Texas
Reconciliation of the Balance Sheet - Governmental Funds to the
Government-wide Statement of Net Position
September 30, 2023

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

Total fund balances - governmental funds	\$	57,067,083
Capital and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		105,778,193
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		498,794
Deferred outflows of resources related to deferred charges on refundings, pension and OPEB are not reported in the governmental funds:		
Deferred charges on refunding	\$	126,370
Deferred outflows of resources related to pension		7,988,601
Deferred outflows of resources related to OPEB		<u>233,476</u>
		8,348,447
Internal service funds are used by management to charge the cost of self-insurance and fleet maintenance to individual funds. A portion of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		2,713,992
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable on long-term debt is not reported as a liability in the governmental funds balance sheet.		(437,530)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Due within one year		(5,918,292)
Due in more than one year		<u>(96,341,645)</u>
		(102,259,937)
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds:		
Deferred inflows of resources related to pension		(134,201)
Deferred inflows of resources related to OPEB		<u>(379,091)</u>
		(513,292)
Net position of governmental activities	\$	<u><u>71,195,750</u></u>

City of Ennis, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2023

Revenues	General	QIPP	General Capital Projects	Debt Service	Total Nonmajor Funds	Total Governmental Funds
Property taxes	\$ 11,144,223	\$ -	\$ -	\$ 7,055,174	\$ 1,114,050	\$ 19,313,447
Sales taxes	6,946,765	-	-	-	3,413,485	10,360,250
Franchise taxes	2,037,382	-	-	-	-	2,037,382
Hotel occupancy taxes	-	-	-	-	533,543	533,543
Alcoholic beverage taxes	93,764	-	-	-	-	93,764
Licenses and permits	1,453,090	-	-	-	-	1,453,090
Fines and forfeitures	245,640	-	-	-	15,636	261,276
Charges for services	249,416	306,208,420	-	-	-	306,457,836
Investment earnings	202,048	35,738	90,008	4,237	13,553	345,584
Miscellaneous	424,013	-	-	-	10,443	434,456
Intergovernmental	1,397,560	70,857	-	-	-	1,468,417
Contributions and donations	-	-	-	-	120,884	120,884
Total revenues	24,193,901	306,315,015	90,008	7,059,411	5,221,594	342,879,929
Expenditures						
Current						
General government	6,879,081	-	-	-	328,943	7,208,024
Public safety	14,155,040	-	-	-	1,201,851	15,356,891
Streets	1,108,461	-	1,469,198	-	2,038,376	4,616,035
Health	650,469	298,204,329	-	-	-	298,854,798
Equipment services	271,091	-	-	-	-	271,091
Cultural and recreational	2,030,967	-	-	-	7,812	2,038,779
Public works	666,705	-	-	-	-	666,705
Capital outlay	5,203,264	-	4,264,684	-	57,898	9,525,846
Debt service:						
Principal retirement	36,996	-	-	4,980,000	-	5,016,996
Interest and fiscal charges	-	812,343	-	2,723,479	-	3,535,822
Total expenditures	31,002,074	299,016,672	5,733,882	7,703,479	3,634,880	347,090,987
Excess (deficiency) of revenues over (under) expenditures	(6,808,173)	7,298,343	(5,643,874)	(644,068)	1,586,714	(4,211,058)
Other Financing Sources (Uses)						
Transfers in	2,649,434	-	850,000	699,688	-	4,199,122
Transfers out	(629,478)	(571,783)	(47,598)	-	(2,236,188)	(3,485,047)
Leases issued	295,123	-	-	-	-	295,123
Sale of capital assets	5,512	-	-	-	3,690	9,202
Total other financing sources (uses)	2,320,591	(571,783)	802,402	699,688	(2,232,498)	1,018,400
Net change in fund balances	(4,487,582)	6,726,560	(4,841,472)	55,620	(645,784)	(3,192,658)
Fund Balances, Beginning	14,926,142	9,941,310	28,591,514	105,597	6,695,178	60,259,741
Fund Balances, Ending	\$ 10,438,560	\$ 16,667,870	\$ 23,750,042	\$ 161,217	\$ 6,049,394	\$ 57,067,083

City of Ennis, Texas
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2023

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

Net Change in Fund Balances - total governmental funds	\$	(3,192,658)
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount of capital outlay recorded as capital and lease assets in the current period.		9,525,845
Governmental funds do not recognize contributed capital assets. However, in the statement of activities the acquisition value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		5,411,330
The net effect of various miscellaneous transactions involving capital assets (i.e., asset retirements/disposals) is a decrease net position.		(97,391)
Depreciation/amortization expense on capital and lease assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation/amortization expense is not reported as an expenditure in governmental funds.		(5,543,534)
The issuance of long-term debt (i.e. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Leases issued	(295,123)	
Principal payments on leases	36,996	
Bond principal retirement	4,980,000	
Amortization of bond premiums/discounts	343,257	
Amortization of deferred charge on refunding	(55,641)	
Development agreement payable retirement	544,983	5,554,472
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense on long-term debt is not reported as expenditures in governmental funds. This represents the change in accrued interest during the current period.		23,215
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change during the year for this revenue sources.		(58,145)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Changes in pension liabilities and related deferred outflows and inflows of resources	(860,458)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(5,704)	(866,162)
The internal service funds are used by management to charge the costs of self-insurance and fleet maintenance to individual funds. A portion of the net revenue or expense of the internal service funds is reported with governmental activities.		378,261
Change in net position of governmental activities	\$	11,135,233

City of Ennis, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended September 30, 2023

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget
Property taxes	\$ 10,509,320	\$ 10,509,320	\$ 11,144,223	\$ 634,903
Sales taxes	6,300,000	6,300,000	6,946,765	646,765
Franchise taxes	1,827,000	1,827,000	2,037,382	210,382
Alcoholic beverage taxes	80,000	80,000	93,764	13,764
Licenses and permits	1,302,019	1,302,019	1,453,090	151,071
Fines and forfeitures	237,607	237,607	245,640	8,033
Charges for services	221,474	221,474	249,416	27,942
Investment earnings	45,730	45,730	202,048	156,318
Miscellaneous	196,561	196,561	424,013	227,452
Intergovernmental	12,800	12,800	1,397,560	1,384,760
Total revenues	20,732,511	20,732,511	24,193,901	3,461,390
Expenditures				
Current:				
General government:				
City Secretary	331,721	331,721	394,138	(62,417)
Administration	534,001	534,001	615,972	(81,971)
Downtown Development	621,822	739,462	662,626	76,836
Communication and Marketing	220,295	235,020	197,172	37,848
Ennis Cares	176,174	297,957	289,712	8,245
Finance	558,811	558,811	449,324	109,487
Economic development	312,606	353,045	385,919	(32,874)
Information technology	419,920	419,920	430,208	(10,288)
Human resources	410,619	410,619	403,370	7,249
Nondepartmental	6,568,408	6,941,012	3,050,640	3,890,372
Total general government	10,154,376	10,821,567	6,879,081	3,942,486
Public safety:				
Police protection	6,517,165	6,814,078	6,769,478	44,600
Judicial	372,461	372,461	352,299	20,162
Fire protection	6,197,996	6,252,717	6,161,546	91,171
Planning and inspection	936,281	936,281	871,717	64,564
Total public safety	14,023,903	14,375,537	14,155,040	220,497
Streets	1,259,992	1,311,882	1,108,461	203,421
Health	665,037	685,037	650,469	34,568
Equipment services	335,005	552,537	271,091	281,446
Cultural and recreational:				
Parks and recreation	1,346,330	1,421,330	1,376,036	45,294
Library	564,010	588,830	546,940	41,890
Museum	111,181	111,181	107,991	3,190
Total cultural and recreational	2,021,521	2,121,341	2,030,967	90,374
Public works	342,436	342,436	666,705	(324,269)
Capital outlay	-	-	5,203,264	(5,203,264)
Debt service:				
Principal retirement	-	-	36,996	(36,996)
Total debt service	-	-	36,996	(36,996)
Total expenditures	28,802,270	30,210,338	31,002,074	(791,736)
Excess (deficiency) of revenues over (under) expenditures	(8,069,759)	(9,477,827)	(6,808,173)	4,253,126
Other Financing Sources (Uses)				
Transfers in	3,701,351	3,989,873	2,649,434	1,340,439
Transfers out	-	-	(629,478)	629,478
Leases issued	-	-	295,123	(295,123)
Sale of capital assets	-	-	5,512	5,512
Total other financing sources and uses	3,701,351	3,989,873	2,320,591	1,680,306
Net change in fund balance	(4,368,408)	(5,487,954)	(4,487,582)	5,933,432
Fund Balance, Beginning	14,926,142	14,926,142	14,926,142	-
Fund Balance, Ending	\$ 10,557,734	\$ 9,438,188	\$ 10,438,560	\$ 5,933,432

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

City of Ennis, Texas
Statement of Net Position
Proprietary Funds
September 30, 2023

Assets	Business-type Activities - Enterprise			Governmental
	Utility	Nonmajor	Total	Activities
		Enterprise	Enterprise	Internal
	Funds	Funds	Service Fund	
Current Assets				
Cash and cash equivalents	\$ 6,312,083	\$ 623,313	\$ 6,935,396	\$ 4,094,051
Restricted cash and cash equivalents - bond construction	15,615,475	-	15,615,475	-
Receivables (net of allowance for uncollectibles)	1,541,634	213,882	1,755,516	-
Lease receivable	-	36,341	36,341	-
Due from other funds	-	-	-	17,211
Inventories	142,686	28,295	170,981	-
Total current assets	23,611,878	901,831	24,513,709	4,111,262
Noncurrent Assets				
Capital and lease assets (net of accumulated depreciation/amortization)	55,383,315	2,162,812	57,546,127	-
Total noncurrent assets	55,383,315	2,162,812	57,546,127	-
Total assets	78,995,193	3,064,643	82,059,836	4,111,262
Deferred Outflows of Resources				
Deferred outflows of resources related to pension	1,514,586	502,416	2,017,002	-
Deferred outflows of resources related to OPEB	19,888	6,278	26,166	-
Total deferred outflows of resources	1,534,474	508,694	2,043,168	-
Liabilities				
Current Liabilities				
Accounts payable	2,543,792	42,680	2,586,472	49,597
Accrued payroll payable	163,717	48,392	212,109	-
Claims payable	-	-	-	669,175
Due to other funds	-	191,719	191,719	-
Customer deposits payable	737,490	-	737,490	-
Bonds payable	1,335,000	-	1,335,000	-
Lease payable	24,393	-	24,393	-
Accrued interest payable	167,676	-	167,676	-
Total current liabilities	4,972,068	282,791	5,254,859	718,772
Noncurrent Liabilities				
Bonds payable	27,921,797	-	27,921,797	-
Lease payable	99,796	-	99,796	-
Net pension liability	2,353,903	784,018	3,137,921	-
Total OPEB liability	89,773	29,924	119,697	-
Total noncurrent liabilities	30,465,269	813,942	31,279,211	-
Total liabilities	35,437,337	1,096,733	36,534,070	718,772
Deferred Inflows of Resources				
Deferred inflows of resources related to pension	33,310	11,527	44,837	-
Deferred inflows of resources related to OPEB	46,653	15,543	62,196	-
Deferred inflows of resources related to leases	-	35,533	35,533	-
Total deferred inflows of resources	79,963	62,603	142,566	-
Net Position				
Net investment in capital assets	39,486,809	2,162,812	41,649,621	-
Unrestricted	5,525,558	251,189	5,776,747	3,392,490
Total net position	\$ 45,012,367	\$ 2,414,001	47,426,368	\$ 3,392,490
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time.			678,498	
Net position of business-type activities			\$ 48,104,866	

City of Ennis, Texas
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Activities – Enterprise			Governmental
	Utility	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities Internal Service Funds
Operating Revenues				
Water revenue	\$ 7,526,156	\$ -	\$ 7,526,156	\$ -
Sewer revenue	5,392,415	-	5,392,415	-
Sanitation revenue	-	1,822,276	1,822,276	-
Airport revenue	-	209,417	209,417	-
Other revenue	237,429	-	237,429	-
Charges for insurance and services	-	-	-	4,689,680
Total operating revenues	<u>13,156,000</u>	<u>2,031,693</u>	<u>15,187,693</u>	<u>4,689,680</u>
Operating Expenses				
Personnel	3,655,043	1,026,794	4,681,837	-
Supplies	1,498,716	271,359	1,770,075	-
Maintenance and replacement	1,095,764	188,966	1,284,730	504,609
Miscellaneous services	1,543,371	118,655	1,662,026	-
Insurance claims and expenses	-	-	-	4,463,972
Depreciation and amortization	3,571,165	313,636	3,884,801	-
Total operating expenses	<u>11,364,059</u>	<u>1,919,410</u>	<u>13,283,469</u>	<u>4,968,581</u>
Operating income (loss)	<u>1,791,941</u>	<u>112,283</u>	<u>1,904,224</u>	<u>(278,901)</u>
Nonoperating Revenue (Expenses)				
Investment earnings	168,718	-	168,718	-
Gain (loss) on disposal of property	(4,293)	-	(4,293)	405,477
Interest expense	(1,002,409)	-	(1,002,409)	-
Interest income	-	1,240	1,240	-
Intergovernmental revenue	2,276,597	-	2,276,597	-
Total nonoperating revenue (expenses)	<u>1,438,613</u>	<u>1,240</u>	<u>1,439,853</u>	<u>405,477</u>
Income before contributions and transfers	3,230,554	113,523	3,344,077	126,576
Capital contributions	1,959,294	-	1,959,294	-
Transfers in	-	77,598	77,598	699,313
Transfers out	(944,905)	(193,018)	(1,137,923)	(353,063)
Change in net position	4,244,943	(1,897)	4,243,046	472,826
Net position – beginning	<u>40,767,424</u>	<u>2,415,898</u>	<u>43,183,322</u>	<u>2,919,664</u>
Net position – ending	<u>\$ 45,012,367</u>	<u>\$ 2,414,001</u>	<u>47,426,368</u>	<u>\$ 3,392,490</u>

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time.

94,565

Change in net position of business-type activities

\$ 4,337,611

City of Ennis, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Activities – Enterprise			Governmental
	Utility	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers	\$ 12,894,697	\$ 2,020,379	\$ 14,915,076	\$ -
Receipts from interfund charges for insurance and services	-	-	-	4,689,680
Payments to suppliers and service providers	(4,020,110)	(583,045)	(4,603,155)	(4,910,920)
Payments to employees for salaries and benefits	(3,468,482)	(955,619)	(4,424,101)	-
Net cash provided by (used for) operating activities	<u>5,406,105</u>	<u>481,715</u>	<u>5,887,820</u>	<u>(221,240)</u>
Cash Flows From Noncapital Financing Activities				
Transfers from other funds	-	86,743	86,743	699,313
Transfers to other funds	(944,905)	(193,018)	(1,137,923)	(381,666)
Net cash provided by (used for) noncapital financing activities	<u>(944,905)</u>	<u>(106,275)</u>	<u>(1,051,180)</u>	<u>317,647</u>
Cash Flows From Capital And Related Financing Activities				
Acquisition and construction of capital assets	(4,778,711)	(195,853)	(4,974,564)	-
Proceeds from disposal of capital assets	7,159	-	7,159	405,477
Principal paid on bond maturities	(1,375,000)	-	(1,375,000)	-
Principal paid on leases	(12,471)	-	(12,471)	-
Interest income	-	1,240	1,240	-
Interest and fiscal charges paid on bonds	(1,110,363)	-	(1,110,363)	-
Net cash provided by (used for) capital and related financing activities	<u>(7,269,386)</u>	<u>(194,613)</u>	<u>(7,463,999)</u>	<u>405,477</u>
Cash Flows From Investing Activities				
Interest on investments	168,718	-	168,718	-
Net cash provided by investing activities	<u>168,718</u>	<u>-</u>	<u>168,718</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(2,639,468)	180,827	(2,458,641)	501,884
Cash and cash equivalents, October 1 (includes \$19,213,464 reported in restricted cash)	24,567,026	442,486	25,009,512	3,592,167
Cash and cash equivalents, September 30 (includes \$15,615,475 reported in restricted cash)	<u>\$ 21,927,558</u>	<u>\$ 623,313</u>	<u>\$ 22,550,871</u>	<u>\$ 4,094,051</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 1,791,941	\$ 112,283	\$ 1,904,224	\$ (278,901)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	3,571,165	313,636	3,884,801	-
(Increase) decrease in accounts receivable	(261,303)	(11,314)	(272,617)	-
(Increase) decrease in lease receivable	-	(36,341)	(36,341)	-
(Increase) decrease in inventory	(8,830)	-	(8,830)	-
(Increase) decrease in pension related deferred outflows of resources	(1,031,804)	(343,222)	(1,375,026)	-
(Increase) decrease in OPEB related deferred outflows of resources	33,117	11,046	44,163	-
Increase (decrease) in accounts payable	59,291	(3,257)	56,034	49,597
Increase (decrease) in accrued payroll payable	24,158	16,441	40,599	-
Increase (decrease) in claims payable	-	-	-	8,064
Increase (decrease) in customer deposits	67,280	-	67,280	-
Increase (decrease) in pension related deferred inflows of resources	(734,909)	(245,082)	(979,991)	-
Increase (decrease) in OPEB related deferred inflows of resources	6,937	2,305	9,242	-
Increase (decrease) in lease related deferred inflows of resources	-	35,533	35,533	-
Increase (decrease) in net pension liability	1,928,048	642,683	2,570,731	-
Increase (decrease) in OPEB liability	(38,986)	(12,996)	(51,982)	-
Total adjustments	<u>3,614,164</u>	<u>369,432</u>	<u>3,983,596</u>	<u>57,661</u>
Net cash provided by (used for) operating activities	<u>\$ 5,406,105</u>	<u>\$ 481,715</u>	<u>\$ 5,887,820</u>	<u>\$ (221,240)</u>
Schedule of Non-cash Transactions				
Contributions of capital assets	\$ 1,959,294	\$ -	\$ 1,959,294	\$ -
Capital assets included in accounts payable	\$ 2,130,995	\$ -	\$ 2,130,995	\$ -

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

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Note 1: Summary of Significant Accounting Policies

Description of Government-wide Financial Statements

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

Reporting Entity

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

Blended Component Unit. Blended component units, although legally separate entities, are included as part of the primary government because they meet the above criteria as well as serve or benefit the City exclusively. Blended component units of the City include the Ennis Tax Increment Reinvestment Zone #1, Ennis Tax Increment Reinvestment Zone #2, the Ennis Tax Increment Reinvestment Zone #3, and Crime Control and Prevention District (CCPD).

The purpose of each Zone is to capture increments of growth in real property values in the Zone from base values and use the ad valorem taxes derived from these increments to contribute to the zoned area. Tax funds derived from the increment can only be spent for public improvements in the Zone. The City has financial accountability because it has operational responsibility for each Zone. Each Zone is reported as a nonmajor special revenue fund and does not issue separate financial statements.

The (CCPD) was formed under Chapter 363 of the Texas Local Government Code, the *Crime Control and Prevention Act*. The CCPD is organized exclusively to act on behalf of the City to finance crime control within the City. The CCPD is governed by a seven member board appointed by the City Council. The CCPD provides services entirely, or almost entirely to the primary government. The CCPD is reported as a nonmajor special revenue fund and does not issue separate financial statements.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

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

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

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

City of Ennis
107 North Sherman Street
Ennis, Texas 75120

Basis of Presentation

Government-wide Financial Statements

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer and sanitation functions, and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Fund Financial Statements

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major enterprise fund:

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

Additionally, the City reports the following fund type:

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

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

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

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

Measurement Focus and Basis of Accounting

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

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

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

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

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

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Budgetary Information

Budgetary Basis of Accounting

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

Excess of Expenditures Over Appropriations

For the year ended September 30, 2023, the General Fund's expenditures exceeded appropriations by \$791,736. The excess expenditures are due to additional personnel costs and related software and equipment.

Cash and Cash Equivalents

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

External Investment Pools

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in TexPool. In accordance with state law, TexPool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the *Investment Company Act of 1940*, as amended. Investments in TexPool are carried at amortized cost and are reported as cash equivalents in the accompanying financial statements. TexPool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

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

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

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Restricted Assets

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

Inventories and Prepaid Items

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

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

Lease Receivable

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

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

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

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

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

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Capital and Lease Assets

Capital and lease assets, which include property, plant, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business- type activities columns in the government-wide financial statements. Capital and lease assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

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

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

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

Deferred Outflows/Inflows of Resources

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

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

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

Long-term Obligations

In the government-wide financial statements and proprietary fund type fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

Lease Liability

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

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.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

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

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

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

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

Pensions and Other Post-Employment Benefits (OPEB)

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

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

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Net Position Flow Assumption

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

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

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

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

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

Fund Balance Flow Assumption

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

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

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

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

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

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

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

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

Library Endowment

Under terms of the endowment, and consistent with State statutes, the City is authorized on a total-return policy to spend the net appreciation for the benefit of the Ennis Public Library. All available net appreciation has been expended as of September 30, 2023.

Deficit Fund Equity

As of September 30, 2023, the Court Technology fund, a nonmajor governmental fund, has a deficit fund balance of \$5,562.

Revenues and Expenditures/Expenses

Program Revenues

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

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Property Taxes

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

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

Self-Insurance

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Adoption of New Accounting Standards

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

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. The adoption of this standard had no impact on the City.

Note 2: Detailed Notes on All Activities and Funds

Cash Deposits with Financial Institutions

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The City's deposits were fully insured or collateralized as required by State statutes at September 30, 2023. At year-end, the bank balance of the primary government's deposits was \$81,323,456 with a carrying value of \$80,182,521). Of the bank balance, \$500,000 was covered by federal depository insurance and the remaining balance, \$80,020,003 was covered by collateral pledged in the City's name. The collateral was held in the City's name by the safekeeping department of the pledging bank's agent and had a fair value of approximately \$92,900,844.

Investments

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

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

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

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

Investment Type	Amortized Cost	Weighted Average Maturity
TexPool	<u>\$ 337,482</u>	25 Days

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of September 30, 2023, the City’s investment in TexPool was rated AAA by Standard & Poor’s and Aaa by Moody’s Investors Service.

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

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

Receivables

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

Receivables	General	Debt Service	Nonmajor Governmental	Utility	Nonmajor Enterprise	Total
Taxes	\$ 2,312,219	\$ 206,877	\$ 592,948	\$ -	\$ -	\$ 3,112,044
Accounts	104,636	-	81,622	1,722,217	283,165	2,191,640
Other	244,171	-	-	-	-	244,171
Gross receivables	2,661,026	206,877	674,570	1,722,217	283,165	5,547,855
Less: allowance for uncollectibles	(125,471)	(82,637)	(6,473)	(180,583)	(69,283)	(464,447)
Net total receivables	<u>\$ 2,535,555</u>	<u>\$ 124,240</u>	<u>\$ 668,097</u>	<u>\$ 1,541,634</u>	<u>\$ 213,882</u>	<u>\$ 5,083,408</u>

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Lease Receivable

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

The City recognized \$63,029 in lease revenue and \$27,105 in interest revenue during the current fiscal year related to these leases. As of September 30, 2023, the City's receivable for lease payments was \$310,629. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of September 30, 2023, the balance of the deferred inflow of resources was \$287,496.

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:

Governmental Activities			
Year Ending September 30,	Principal	Interest	Total Receipts
2024	\$ 41,691	\$ 24,584	\$ 66,275
2025	43,306	22,696	66,002
2026	45,197	21,078	66,275
2027	47,453	18,822	66,275
2028	50,194	16,081	66,275
2029-2032	46,447	27,560	74,007
Totals	\$ 274,288	\$ 130,821	\$ 405,109

Business-Type Activities			
Year Ending September 30,	Principal	Interest	Total Receipts
2024	\$ 17,964	\$ 836	\$ 18,800
2025	18,377	423	18,800
Totals	\$ 36,341	\$ 1,259	\$ 37,600

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Regulated Leases

In accordance with GASB No. 87, the City does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, between airports and aeronautical users. Regulated leases include hangars used for aeronautical purposes. The revenue recognized for these leases during the year ended September 30, 2023 was \$556.

The future principal lease receipts for regulated leases as of September 30, 2023, are as follows:

Year Ending September 30,	Amount
2024	\$ 65
2025	65
2026	66
2027	66
2028	66
2029-2033	354
2034-2038	586
2039-2043	1,808
2044-2048	1,744
2049-2052	2,392
Totals	\$ 7,212

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Capital and Lease Assets

Capital and lease asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 6,424,748	\$ 20,000	\$ -	\$ -	\$ 6,444,748
Construction in progress	4,693,690	9,996,764	-	(8,127,587)	6,562,867
Total capital assets not being depreciated	11,118,438	10,016,764	-	(8,127,587)	13,007,615
Capital and lease assets being depreciated/amortized:					
Buildings	48,371,437	109,175	-	5,040,970	53,521,582
Lease buildings	36,514	-	-	-	36,514
Improvements	10,308,837	238,439	-	3,086,617	13,633,893
Machinery and equipment	17,141,562	918,785	(158,489)	-	17,901,858
Infrastructure	68,294,850	3,358,889	-	-	71,653,739
Lease vehicles	254,046	295,123	-	-	549,169
Totals capital and lease assets being depreciated/amortized	144,407,246	4,920,411	(158,489)	8,127,587	157,296,755
Less accumulated depreciation/amortization for:					
Buildings	(14,606,049)	(1,448,596)	-	-	(16,054,645)
Lease buildings	(8,967)	(8,967)	-	-	(17,934)
Improvements	(3,279,683)	(1,114,212)	-	-	(4,393,895)
Machinery and equipment	(13,775,315)	(1,094,721)	61,098	-	(14,808,938)
Infrastructure	(27,310,216)	(1,739,746)	-	-	(29,049,962)
Lease vehicles	(63,511)	(137,292)	-	-	(200,803)
Total accumulated depreciation/amortization	(59,043,741)	(5,543,534)	61,098	-	(64,526,177)
Total capital and lease assets, being depreciated, net	85,363,505	(623,123)	(97,391)	8,127,587	92,770,578
Governmental activities capital and lease assets, net	\$ 96,481,943	\$ 9,393,641	\$ (97,391)	\$ -	\$ 105,778,193

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

Governmental Activities	
General government	\$ 485,388
Public safety	1,291,720
Streets	2,286,175
Health	3,490
Equipment services	38,948
Cultural and recreational	593,814
Hospital	713,298
Public works	130,701
Total depreciation/amortization expense	\$ 5,543,534

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities					
Capital assets not being depreciated:					
Land	\$ 1,088,290	\$ -	\$ -	\$ -	\$ 1,088,290
Construction in progress	4,400,883	6,067,898	-	(3,700,089)	6,768,692
Total capital assets not being depreciated	5,489,173	6,067,898	-	(3,700,089)	7,856,982
Capital and lease assets being depreciated/amortized:					
Buildings	9,471,488	23,273	-	-	9,494,761
Improvements	79,773,001	2,576,216	-	3,700,089	86,049,306
Machinery and equipment	3,798,654	397,466	(256,880)	-	3,939,240
Lease vehicles	139,478	-	-	-	139,478
Water rights	1,001,831	-	-	-	1,001,831
Total capital and lease assets being depreciated/amortization	94,184,452	2,996,955	(256,880)	3,700,089	100,624,616
Less accumulated depreciation/amortization for:					
Buildings	(6,675,556)	(182,148)	-	-	(6,857,704)
Improvements	(37,216,924)	(3,168,237)	-	-	(40,385,161)
Machinery and equipment	(2,667,472)	(466,152)	245,428	-	(2,888,196)
Lease vehicles	(34,869)	(34,870)	-	-	(69,739)
Water rights	(701,277)	(33,394)	-	-	(734,671)
Total accumulated depreciation/amortization	(47,296,098)	(3,884,801)	245,428	-	(50,935,471)
Total capital and lease assets being depreciated, net	46,888,354	(887,846)	(11,452)	3,700,089	49,689,145
Business-type capital and lease assets, net	\$ 52,377,527	\$ 5,180,052	\$ (11,452)	\$ -	\$ 57,546,127

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

Business-type Activities	
Utility	\$ 3,571,165
Sanitation	311,543
Airport	2,093
Total depreciation/amortization expense	<u>\$ 3,884,801</u>

Construction Commitments

Construction Commitments. The City has active construction projects as of September 30, 2023. The projects include buildings, park improvements, street improvements, infrastructure and water, and sewer improvements. At year-end the City's commitments with contractors are as follows:

Project	Spent-to-Date	Commitment
General Construction Projects	\$ 6,562,868	\$ 9,000,000
Water and Sewer Construction Projects	6,038,870	11,384,042
Sanitation Construction Projects	729,823	150,000
	<u>\$ 13,331,561</u>	<u>\$ 20,534,042</u>

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

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

Tax Abatements

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

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

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

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

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

Tax Abatement Program	Amount Abated
Chapter 380 Tax Rebates	\$ 770,318
Historic Reinvestment Tax Abatement Refund Program	54,038
Historic Preservation Tax Reimbursement Program	25,478

The City has also entered into Economic Development Agreements to promote local economic development and to stimulate business and commercial activity in the City. These agreements include provisions for repayment if the recipient fails to fully meet its commitments. The City's agreements were as follows at September 30, 2023:

An agreement to make annual grants in an amount not to exceed the equivalent of 75 percent of the ad valorem real property taxes paid for a period of five consecutive years for Spyglass Gen Par, LC to develop real property and construct thereon improvements for a multi-family residential development. The incentive period began November 2016. The abatement amounted to \$148,328 for the fiscal year ended September 30, 2023.

City of Ennis, Texas
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An agreement to make annual grants in the amount of \$30,000 per year, not to exceed the total amount of ad valorem real and personal property taxes paid for two consecutive five year terms for Kent Industries, Inc., Polyguard Products, Inc., and Muncaster Capital of Texas, Inc. for construction and improvements made to the corporate headquarters and training facility. The incentive period began March 2017. The abatement amounted to \$30,000 for the fiscal year ended September 30, 2023.

An agreement to make annual grants in the amount of \$35,000 per year, not to exceed the total amount of ad valorem real and personal property taxes paid for a period of ten consecutive years for Globe Products, Inc., Milglo, LLC., Minimilglo, LTD., Extreme Dead Nuts, LLC. and DNM Holding, LLC., for construction of improvements for new and expanded business development. The incentive period began October 2017. The abatement amounted to \$35,000 for the fiscal year ended September 30, 2023.

An agreement to make grant payments in an amount not to exceed a total of \$300,000 paid, in annual payments not to exceed 50 percent of the ad valorem property taxes paid by DA Ennis 45 Partner, LP., to develop approximately 6.7 acres of land and the construction and operation of multiple retail developments. The incentive period will begin upon the first tax year following the year after issuance of a certificate of occupancy. The abatement amounted to \$22,022 for the fiscal year ended September 30, 2023.

An agreement to make grant payments in an amount not to exceed 50 percent of the ad valorem property taxes paid by GAF, LP., Elk Verashield Building Solutions and Elk Roofing Products for a period of four years for construction of improvements for manufacturing and industrial development. The incentive period will begin upon the first tax year following the year after issuance of a certificate of occupancy. The abatement amounted to \$59,498 for the fiscal year ended September 30, 2023.

An agreement to make annual grant payments in an amount not to exceed 50 percent of the ad valorem property taxes paid by Buc-ee's Ennis, LLC., for a period of 15 years for construction of retail developments. The incentive period will begin upon the first tax year following the year after development opens for business. The abatement amounted to \$31,528 for the fiscal year ended September 30, 2023.

An agreement to make annual grant payments equal to one percent of the sales that are subject to sales tax collection, minus fees deducted by the Texas Comptroller paid by Buc-ee's Ennis, LLC., for a period of 20 years. The incentive period will begin upon the first tax year following the year after development opens for business. The abatement amounted to \$350,325 for the fiscal year ended September 30, 2023.

City of Ennis, Texas
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Other Significant Commitments

The City has entered into an agreement with Healthcare Quality Improvement Services, LLC (Consultant), as a consultant in relation to the QIPP. Under this agreement the Consultant provides certain financial, operations, and clinical review services for the City. The City pays a monthly base consulting fee in the amount of \$1,853 per facility. In addition to the base fee the City pays the Consultant \$600 per month of each quarter in the which the facility exceeds 90 percent of all QIPP component measures. Actual payments for the year ended September 30, 2023, were \$596,921.

Quality Improvement Payment Program

The City participates in the Quality Improvement Payment Program (QIPP). The program is designed to assist nursing facilities servicing indigent patients by providing funding to support increased access to healthcare within the community. It is also designed to allow participating providers to receive additional reimbursement if they either reach a national benchmark level or they make quarterly improvements in up to four predetermined quality measures. At September 30, 2023, the City recorded \$5,209,225 of prepaid intergovernmental transfers for the period of October 2023 – February 2024, which was paid by the City prior to fiscal year end in July 2023. The City is required to contribute to the state for their share of QIPP funding. Accounts receivable under this program was \$5,905,625 at September 30, 2023. The program described above is subject to review and scrutiny by both the Texas Legislature and Center for Medicare & Medicaid Services, and the program could be modified or terminated based on new legislation or regulation in future periods.

Risk Management

The City 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, other claims of various natures. The City purchases commercial liability insurance with the Texas Municipal League Intergovernmental Risk Pool to indemnify itself in event of loss. For the past three years, settlements have not exceeded scheduled and stated coverage(s).

The City self-insured for medical and prescription drug claims. The City uses an internal service fund to account for and finance both insured and uninsured risks of loss. At September 30, 2023, the internal service fund has a fund balance of \$2,792,309. Stop-loss insurance is purchased for claims in excess of \$100,000.

City of Ennis, Texas
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All operating funds of the City participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current claims. The estimated insurance claims payable is \$669,175 at September 30, 2023. The liability also includes incurred but not reported claims (IBNR) developed by the third-party claims administrator. Changes in the balance of estimated insurance claims payable for the year ended September 30, 2023, are:

Claims liability at beginning of year	\$	661,111
Current year claims and estimate changes		3,508,439
Claims payments		<u>(3,500,375)</u>
Claims liability at end of year	\$	<u>669,175</u>

Long-term Liabilities

Certificates of Obligation

The City issues certificates of obligation to provide funds for the acquisition, construction, and maintenance of major capital facilities. Certificates of obligation have been issued for both governmental and business-type activities. Certificates of obligation are direct obligations and pledge the full faith and credit of the government. Certificates of obligation outstanding at September 30, 2023, are as follows:

Governmental Activities

Series	Issue Amount	Maturity Date	Interest Rate	Year End Balances
2014	\$ 6,000,000	2/1/2034	2.0-3.75	\$ 3,840,000
2015	5,990,000	8/1/2035	2.0-3.375	3,280,000
2016	2,770,000	8/1/2031	2.0-2.10	1,470,000
2017	5,225,000	2/1/2037	3.0	3,945,000
2018	1,495,000	8/1/2037	3.0-5.0	1,210,000
2019	9,835,000	2/1/2039	3.0-5.0	8,480,000
2019A	17,065,000	2/1/2039	3.0-5.0	14,570,000
2020	16,920,000	2/1/2040	3.0-5.0	14,965,000
2022	15,000,000	2/1/2042	3.0-5.0	13,215,000
2022	3,284,000	2/1/2049	3.0-5.0	<u>3,164,000</u>
Total				<u>\$ 68,139,000</u>

City of Ennis, Texas
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Business-type Activities

Series	Issue Amount	Maturity Date	Interest Rate	Year End Balances
2015	\$ 4,005,000	8/1/2035	2.0-3.375	\$ 3,315,000
2016	715,000	8/1/2026	2.0	365,000
2017	2,285,000	2/1/2037	3.0	1,710,000
2018	1,095,000	8/1/2037	3.0-5.0	885,000
2018A	4,500,000	2/1/2038	0.14-1.54	3,455,000
2020	4,665,000	2/1/2040	3.0-5.0	4,045,000
2022	15,000,000	2/1/2042	3.00-5.00	13,590,000
Total				<u>\$ 27,365,000</u>

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition, construction, and maintenance of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding at September 30, 2023, are as follows:

Governmental Activities

Series	Issue Amount	Maturity Date	Interest Rate	Year End Balances
2014 – Refunding	10,045,000	8/1/2025	2.00-3.75	\$ 2,090,000
2016 – Refunding	3,325,000	8/1/2027	1.79	705,000
Total				<u>\$ 2,795,000</u>

Development Agreement Payable

The City entered into a development agreement with PRHC-Ennis GP, Inc. (subsequently LifePoint Hospitals, Inc.) (Company) for the purchase of an acute municipal hospital. Under the terms of the development agreement the City purchased the constructed hospital from the Company.

The development agreement payable currently outstanding and reported as a liability of the City's governmental activities at September 30, 2023, totaled \$13,031,769. The amount due within one year totals \$544,983.

City of Ennis, Texas
Notes to the Financial Statements
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The future principal payments for Development Payable as of September 30, 2023, are as follows:

Year Ending September 30	Governmental Activities Development Agreement Required Payment
2024	\$ 544,983
2025	544,983
2026	544,983
2027	544,983
2028	544,983
2029 - 2033	2,724,915
2034 - 2038	2,724,915
2039 - 2043	2,724,915
2044 - 2048	2,132,109
	\$ 13,031,769

Lease Liability

The City leases vehicles from Enterprise Fleet Management and property from various third parties to conduct its operations, the terms of which expire 2024 through 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.

As of September 30, 2023, the value of the lease liability was \$659,108. Incremental borrowing rates of 3.80 percent to 5.80 percent were used to measure lease payables. The value of the right-to-use lease assets as of the end of the current fiscal year was \$725,161 and had accumulated amortization of \$288,476.

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

Governmental Activities			
Year Ending September 30,	Principal	Interest	Total Payments
2024	\$ 78,309	\$ 166,606	\$ 244,915
2025	144,639	145,012	289,651
2026	195,746	165,921	361,667
2027	<u>116,225</u>	<u>34,841</u>	<u>151,066</u>
Totals	<u>\$ 534,919</u>	<u>\$ 512,380</u>	<u>\$ 1,047,299</u>

Business-Type Activities			
Year Ending September 30,	Principal	Interest	Total Payments
2024	\$ 24,393	\$ 78,903	\$ 103,296
2025	47,712	90,825	138,537
2026	<u>52,084</u>	<u>15,124</u>	<u>67,208</u>
Totals	<u>\$ 124,189</u>	<u>\$ 184,852</u>	<u>\$ 309,041</u>

Changes in Long-term Liabilities

Changes in the City's long-term liabilities for the year ended September 30, 2023, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
Certificates of obligation	\$ 71,959,000	\$ -	\$ (3,820,000)	\$ 68,139,000	\$ 4,100,000
General obligation bonds	3,955,000	-	(1,160,000)	2,795,000	1,195,000
For issuance premium	5,712,658	-	(343,257)	5,369,401	-
Lease liability	<u>276,792</u>	<u>295,123</u>	<u>(36,996)</u>	<u>534,919</u>	<u>78,309</u>
Total bonds payable	<u>81,903,450</u>	<u>295,123</u>	<u>(5,360,253)</u>	<u>76,838,320</u>	<u>5,373,309</u>
Development agreement	13,576,752	-	(544,983)	13,031,769	544,983
Claims liability	611,111	3,508,439	(3,500,375)	619,175	-
Net pension liability	1,628,137	10,282,921	-	11,911,058	-
Total OPEB liability	<u>686,712</u>	<u>-</u>	<u>(207,922)</u>	<u>478,790</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 98,406,162</u>	<u>\$ 14,086,483</u>	<u>\$ (9,613,533)</u>	<u>\$ 102,879,112</u>	<u>\$ 5,918,292</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Bonds payable:					
Certificates of obligation	\$ 28,740,000	\$ -	\$ (1,375,000)	\$ 27,365,000	\$ 1,335,000
For issuance premium	2,000,201	-	(108,404)	1,891,797	-
Lease liability	136,660	-	(12,471)	124,189	24,393
Total bonds payable	30,876,861	-	(1,495,875)	29,380,986	1,359,393
Net pension liability	567,190	2,570,731	-	3,137,921	-
Total OPEB liability	171,679	-	(51,982)	119,697	-
Business-type activity					
Long-term liabilities	<u>\$ 31,615,730</u>	<u>\$ 2,570,731</u>	<u>\$ (1,547,857)</u>	<u>\$ 32,638,604</u>	<u>\$ 1,359,393</u>

Certificates of obligation, net pension liability, and OPEB liability issued for business-type activities are repaid from the utility and sanitation funds.

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

Year Ending September 30	Governmental Activities			
	Certificates of Obligation		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 4,100,000	\$ 2,454,984	\$ 1,195,000	\$ 88,432
2025	3,290,000	2,300,332	1,240,000	49,514
2026	3,430,000	2,164,571	180,000	6,444
2027	3,630,000	2,022,769	180,000	3,222
2028	3,790,000	1,869,865	-	-
2029 - 2033	20,840,000	7,026,493	-	-
2034 - 2038	20,075,000	3,217,941	-	-
2039 - 2043	8,230,000	417,556	-	-
2044 - 2048	625,000	-	-	-
2049	129,000	-	-	-
	<u>\$ 68,139,000</u>	<u>\$ 21,474,510</u>	<u>\$ 2,795,000</u>	<u>\$ 147,612</u>

City of Ennis, Texas
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Year Ending September 30	Business-Type Activities	
	Certificates	
	of Obligation	
	Principal	Interest
2024	\$ 1,335,000	\$ 988,467
2025	1,385,000	942,372
2026	1,430,000	896,646
2027	1,350,000	850,709
2028	1,390,000	802,441
2029 - 2033	7,815,000	3,176,594
2034 - 2038	8,145,000	1,618,157
2039 - 2042	4,515,000	344,100
	\$ 27,365,000	\$ 9,619,484

Line of Credit

The City has a \$6,500,000 revolving line of credit maturing May 30, 2024, secured by gross revenues. Interest is payable semi-annually at a rate equal to the lesser of the Prime Rate plus 1.00 percent or 4.50 percent. The outstanding balance on the line of credit as of September 30, 2023, was \$6,251,070.

Fund Balance

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

Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2023, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Court Technology Fund	\$ 5,562
General Fund	Airport Fund	191,719
Self Insurance Fund	General Fund	17,211
		\$ 214,492

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

City of Ennis, Texas
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Interfund Transfers

The composition of interfund transfers as of September 30, 2023, is as follows:

Interfund Transfers In	Interfund Transfers Out							Totals
	Governmental Funds				Proprietary Funds			
	General	QIPP	General Capital Projects	Other Nonmajor Governmental Funds	Utility	Nonmajor Enterprise	Internal Service Fund	
Governmental Funds								
General	\$ -	\$ 571,783	\$ -	\$ 686,500	\$ 845,070	\$ 193,018	\$ 353,063	\$ 2,649,434
General Capital Projects	-	-	-	850,000	-	-	-	850,000
Debt Service	-	-	-	699,688	-	-	-	699,688
Nonmajor Enterprise	30,000	-	47,598	-	-	-	-	77,598
Internal Service Fund	599,478	-	-	-	99,835	-	-	699,313
	<u>\$ 629,478</u>	<u>\$ 571,783</u>	<u>\$ 47,598</u>	<u>\$ 2,236,188</u>	<u>\$ 944,905</u>	<u>\$ 193,018</u>	<u>\$ 353,063</u>	<u>\$ 4,976,033</u>

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

Ennis Economic Development Corporation, Inc. (Corporation)

Cash Deposits with Financial Institutions

At year-end, the Corporation's bank balance was \$5,965,524 and carrying amount was \$5,822,980. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance, \$5,715,524 was covered by collateral pledged in the Corporation's name. The collateral was held in the Corporation's name by the safekeeping departments of the pledging bank's agent and had a fair value of approximately \$5,950,358.

City of Ennis, Texas
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Capital and Lease Assets

Capital and lease asset activity for the Corporation for the year ended September 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 3,467,796	\$ -	\$ -	\$ -	\$ 3,467,796
Construction in progress	1,837,461	-	(1,837,461)	-	-
Total capital assets not being depreciated	5,305,257	-	(1,837,461)	-	3,467,796
Capital and lease assets being depreciated/amortized:					
Building	5,001,733	-	-	-	5,001,733
Lease buildings	76,443	-	-	-	76,443
Improvements	343,429	-	-	-	343,429
Machinery and equipment	178,157	-	-	-	178,157
Totals capital and lease assets being depreciated/amortized	5,599,762	-	-	-	5,599,762
Less accumulated depreciation/amortization for:					
Building	(560,113)	(166,724)	-	-	(726,837)
Lease buildings	(19,111)	(19,111)	-	-	(38,222)
Improvements	(343,429)	-	-	-	(343,429)
Machinery and equipment	(78,474)	(26,158)	-	-	(104,632)
Total accumulated depreciation/amortization	(1,001,127)	(211,993)	-	-	(1,213,120)
Total capital and lease assets being depreciated, net	4,598,635	(211,993)	-	-	4,386,642
Corporation capital and lease assets, net	\$ 9,903,892	\$ (211,993)	\$ (1,837,461)	\$ -	\$ 7,854,438

Economic Development Agreements

On May 1, 2018, the Corporation entered into an economic development agreement with a DA Ennis 45 Partners, LP (DA Ennis). Under the agreement, the Corporation shall pay DA Ennis a grant of \$450,000 paid as four separate grants after specific project performance requirements are met by DA Ennis. The project includes the investment of approximately \$12,000,000 to develop approximately 6.7 acres of land and the construction and operation of multiple retail developments. As of September 30, 2023, the Corporation has made payments of \$325,000 under this agreement.

City of Ennis, Texas
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Sales Tax Revenue Bonds

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

Series	Issue Amount	Maturity Date	Interest Rate	Year End Balances
1999	\$ 3,290,430	8/1/2034	3.50-8.45	\$ 455,430
2014 Refunding	2,745,000	8/1/2034	0.50-4.50	1,435,000
2019 Refunding	2,240,000	8/1/2024	2.30	460,000
Total				<u>\$ 2,350,430</u>

The following is a summary of pledged revenues for the Corporation for the year ended September 30, 2023:

Revenue Pledged	Total Pledged Revenue	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue Will Not Be Available For Other Purposes
.5% sales and use tax	\$ 3,450,083	\$ 695,981	20.2%	\$ 7,192,229	Until 2034

Lease Liability

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

As of September 30, 2023, the value of the lease liability was \$54,293. Incremental borrowing rates of 5.75 percent to 5.80 percent were used to measure lease payables. The value of the right-to-use assets as of the end of the current fiscal year was \$76,443 and had accumulated amortization of \$38,222.

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

Economic Development Corporation				
Year Ending September 30,	Principal	Interest	Total Payments	
2024	\$ 18,486	\$ 16,440	\$	34,926
2025	25,007	13,784		38,791
2026	<u>10,800</u>	<u>1,573</u>		<u>12,373</u>
Totals	<u>\$ 54,293</u>	<u>\$ 31,797</u>	<u>\$</u>	<u>86,090</u>

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

Year Ending September 30	Component Unit	
	Sales Tax	
	Revenue Bonds	
	Principal	Interest
2024	\$ 625,000	\$ 70,981
2025	169,410	70,981
2026	169,280	528,877
2027	169,435	528,092
2028	165,160	527,715
2029 - 2033	866,650	2,603,673
2034	<u>185,495</u>	<u>511,480</u>
	<u>\$ 2,350,430</u>	<u>\$ 4,841,799</u>

Changes in the Corporation's long-term liabilities for the year ended September 30, 2023, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Corporation					
Bonds payable:					
Sales tax revenue bonds	\$ 2,965,430	\$ -	\$ (615,000)	\$ 2,350,430	\$ 625,000
Accretion on Capital Appreciation Bonds	2,504,082	255,376	-	2,759,458	-
Less deferred amounts:					
For issuance discount	(6,334)	-	528	(5,806)	-
Lease liability	<u>68,304</u>	<u>-</u>	<u>(14,011)</u>	<u>54,293</u>	<u>18,486</u>
Corporation long-term liabilities	<u>\$ 5,531,482</u>	<u>\$ 255,376</u>	<u>\$ (628,483)</u>	<u>\$ 5,158,375</u>	<u>\$ 643,486</u>

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Note 3: Defined Benefit Pension Plan

Plan Description

The City participates as one of 920 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 (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; 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 benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75 percent of the member's deposits and interest.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	158
Inactive employees entitled to but not yet receiving benefits	78
Active employees	205
	441
	441

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Contributions

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

Employees for the City were required to contribute 7 percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 17.72 percent and 17.01 percent in calendar years 2023 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$2,735,998, 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:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for 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.

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

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, 2109, 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 to satisfy the short-term and long-term funding needs of TMRS.

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

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	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
Total	<u>100%</u>	

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Discount Rate

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at January 1, 2022	\$ 83,274,129	\$ 81,078,802	\$ 2,195,327
Changes for the year:			
Service cost	2,668,576	-	2,668,576
Interest	5,574,720	-	5,574,720
Difference between expected and actual experience	2,028,826	-	2,028,826
Changes of assumptions	-	-	-
Contributions - employer	-	2,346,324	(2,346,324)
Contributions - employee	-	979,385	(979,385)
Net investment income	-	(5,917,138)	5,917,138
Benefit payments, including refunds of employee contributions	(4,039,932)	(4,039,932)	-
Administrative expense	-	(51,215)	51,215
Other changes	-	61,114	(61,114)
Net Changes	<u>6,232,190</u>	<u>(6,621,462)</u>	<u>12,853,652</u>
Balance at December 31, 2022	<u>\$ 89,506,319</u>	<u>\$ 74,457,340</u>	<u>\$ 15,048,979</u>

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

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

	1.0% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1.0% Increase in Discount Rate (7.75%)
City's net pension liability \$	27,285,306	\$ 15,048,979	\$ 4,964,608

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

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 \$3,813,570.

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
Changes in assumptions	\$ 43,243	\$ -
Difference between projected and actual investment earnings	5,136,091	-
Differences between expected and actual economic experience	2,705,112	179,038
Contributions subsequent to the measurement date	2,121,157	-
Total	\$ 10,005,603	\$ 179,038

\$2,121,157 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	\$ 848,411
2025	1,960,510
2026	2,092,469
2027	2,776,007
2028	28,011
Total	\$ 7,705,408

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Note 4: Other Postemployment Benefit (OPEB) Obligations

Plan Description

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single-employer, defined benefit OPEB plan. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.tmrs.com.

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees Covered by Benefit Terms

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

Inactive employees currently receiving benefits	111
Inactive employees entitled to but not yet receiving benefits	16
Active employees	205
	332

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Total OPEB Liability

The City's total OPEB liability of \$598,847 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

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

Inflation	2.50%
Salary increases	3.50% to 11.50%, including inflation
Discount rate*	4.05% as of December 31, 2022 (1.84% as of December 31, 2021)
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

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

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2022	\$ 858,391
Changes for the year:	
Service cost	37,763
Interest	15,962
Difference between expected and actual experience	(5,541)
Changes in assumptions or other inputs	(288,507)
Benefit payments	(19,581)
Net Changes	(259,904)
Balance at December 31, 2022	\$ 598,487

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05 percent) or 1-percentage-point higher (5.05 percent) than the current rate:

	1% Decrease (3.05%)	Current Discount Rate (4.05%)	1% Increase (5.05%)
Total OPEB liability	\$ 709,631	\$ 598,487	\$ 511,233

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

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 \$31,265. At September 30, 2023, the City reported deferred outflows and deferred inflows of resources and related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 100,916	\$ 183,332
Differences between expected and actual economic experience	129,418	257,955
Contributions subsequent to the measurement date	29,308	-
Total	\$ 259,642	\$ 441,287

\$29,308 reported as deferred inflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2024. 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	\$ (22,460)
2025	(26,742)
2026	(54,607)
2027	(32,630)
2028	(42,240)
Thereafter	(32,274)
Total	\$ (210,953)

City of Ennis, Texas
Notes to the Financial Statements
September 30, 2023

Note 5: Contingencies

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

Note 6: Litigation

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

Note 7: Related Party Transactions

The significant transactions between the component unit and primary government during the year ended September 30, 2023, consisted of a reimbursement for personnel costs in the amount of \$1,390,439 paid from the Economic Development Corporation to the City's General Fund.

Note 8: New Pronouncements

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

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

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

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

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

GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102):

This statement requires governments to disclose information about certain concentrations or constraints that could affect services provided or the ability to meet obligations as they come due. This statement will be effective for the City in fiscal year 2025. The City will evaluate the potential impact on the City's net position.

Required Supplementary Information

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City of Ennis, Texas
Schedule of Changes in Net Pension Liability and Related Ratios
Last Nine Measurement Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ 1,491,053	\$ 1,671,627	\$ 1,840,901	\$ 2,048,680	\$ 2,160,079	\$ 2,282,005	\$ 2,275,864	\$ 2,487,609	\$ 2,668,576
Interest (on the Total Pension Liability)	3,884,019	4,045,832	4,058,860	4,283,551	4,513,388	4,705,505	4,933,807	5,187,388	5,574,720
Difference between expected and actual experience	(695,656)	(749,875)	57,172	(44,355)	(488,779)	(246,203)	(92,382)	1,728,845	2,028,826
Changes of assumptions	-	(37)	-	-	-	162,535	-	-	-
Benefit payments, including refunds of employee contributions	(2,288,691)	(2,627,506)	(2,809,516)	(2,654,647)	(3,222,511)	(3,576,427)	(3,460,624)	(3,472,190)	(4,039,932)
Net Change in Total Pension Liability	2,390,725	2,340,041	3,147,417	3,633,229	2,962,177	3,327,415	3,656,665	5,931,652	6,232,190
Total Pension Liability - Beginning	55,884,808	58,275,533	60,615,574	63,762,991	67,396,220	70,358,397	73,685,812	77,342,477	83,274,129
Total Pension Liability - Ending (a)	\$ 58,275,533	\$ 60,615,574	\$ 63,762,991	\$ 67,396,220	\$ 70,358,397	\$ 73,685,812	\$ 77,342,477	\$ 83,274,129	\$ 89,506,319
Plan Fiduciary Net Position									
Contributions - Employer	\$ 1,635,304	\$ 1,686,270	\$ 1,781,293	\$ 1,898,840	\$ 2,010,628	\$ 2,054,555	\$ 2,010,023	\$ 2,188,099	\$ 2,346,324
Contributions - Employee	608,568	636,329	695,429	765,657	804,713	851,041	842,021	915,524	979,385
Net Investment Income	2,775,570	75,581	3,443,016	7,486,574	(1,841,480)	9,147,353	5,130,608	9,397,117	(5,917,138)
Benefit payments, including refunds of employee contributions	(2,288,691)	(2,627,506)	(2,809,516)	(2,654,647)	(3,222,511)	(3,576,427)	(3,460,624)	(3,472,190)	(4,039,932)
Administrative Expense	(28,980)	(46,036)	(38,883)	(38,796)	(35,586)	(51,699)	(33,206)	(43,486)	(51,215)
Other	(2,383)	(2,273)	(2,095)	(1,966)	(1,860)	(1,553)	(1,295)	299	61,114
Net Change in Plan Fiduciary Net Position	2,699,388	(277,635)	3,069,244	7,455,662	(2,286,096)	8,423,270	4,487,527	8,985,363	(6,621,462)
Plan Fiduciary Net Position - Beginning	48,522,079	51,221,467	50,943,832	54,013,076	61,468,738	59,182,642	67,605,912	72,093,439	81,078,802
Plan Fiduciary Net Position - Ending (b)	\$ 51,221,467	\$ 50,943,832	\$ 54,013,076	\$ 61,468,738	\$ 59,182,642	\$ 67,605,912	\$ 72,093,439	\$ 81,078,802	\$ 74,457,340
Net Pension Liability - Ending (a) - (b)	\$ 7,054,066	\$ 9,671,742	\$ 9,749,915	\$ 5,927,482	\$ 11,175,755	\$ 6,079,900	\$ 5,249,038	\$ 2,195,327	\$ 15,048,979
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.90%	84.04%	84.71%	91.21%	84.12%	91.75%	93.21%	97.36%	83.19%
Covered Payroll	8,682,504	9,070,142	9,934,705	10,937,960	11,495,895	12,157,727	12,028,878	13,078,913	13,986,249
Net Pension Liability as a Percentage of Covered Payroll	81.24%	106.63%	98.14%	54.19%	97.22%	50.01%	43.64%	16.79%	107.60%

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

City of Ennis, Texas

Schedule of Contributions

Last Nine Fiscal Years

(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 1,673,240	\$ 1,683,257	\$ 1,827,529	\$ 2,006,005	\$ 1,987,824	\$ 2,064,308	\$ 2,071,820	\$ 2,387,972	\$ 2,735,998
Contributions in relation to the actuarially determined contribution	1,673,240	1,683,257	1,827,529	2,006,005	1,987,824	2,064,308	2,071,820	2,387,972	2,735,998
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Covered payroll	8,991,990	9,315,037	10,437,703	11,493,429	11,649,523	12,402,127	12,218,774	14,084,103	15,584,995
Contributions as a percentage of covered payroll	18.61%	18.07%	17.51%	17.45%	17.06%	16.64%	16.96%	16.96%	17.56%

Schedule Notes:

Valuation Dates:

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method

Entry Age Normal

Amortization Method

Level Percentage of Payroll, Closed

Remaining Amortization Period

22 years

Asset Valuation Method

10 year smoothed fair value; 12% soft corridor

Inflation

2.50%

Salary Increases

3.50% to 11.50% including inflation

Investment Rate of Return

6.75%

Retirement Age

Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018

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

There were no benefit changes during the year.

Notes to Schedule:

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

City of Ennis, Texas

Schedule of Changes in Total OPEB Liability and Related Ratios Last Six Measurement Years

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 18,595	\$ 22,992	\$ 20,668	\$ 26,464	\$ 36,621	\$ 37,763
Interest (on the Total Pension Liability)	19,447	19,591	33,778	19,577	16,466	15,962
Difference between expected and actual experience	-	322,231	(356,825)	(29,501)	(14,824)	(5,541)
Changes of assumptions and other inputs	43,318	(39,134)	106,935	103,301	25,579	(288,507)
Benefit payments	(6,563)	(5,748)	(6,079)	(6,014)	(20,926)	(19,581)
Net Change in Total OPEB Liability	<u>74,797</u>	<u>319,932</u>	<u>(201,523)</u>	<u>113,827</u>	<u>42,916</u>	<u>(259,904)</u>
Total OPEB Liability – Beginning	<u>508,442</u>	<u>583,239</u>	<u>903,171</u>	<u>701,648</u>	<u>815,475</u>	<u>858,391</u>
Total OPEB Liability – Ending	<u>\$ 583,239</u>	<u>\$ 903,171</u>	<u>\$ 701,648</u>	<u>\$ 815,475</u>	<u>\$ 858,391</u>	<u>\$ 598,487</u>
Covered-Employee Payroll	10,937,960	11,495,895	12,157,727	12,028,878	13,078,913	13,986,249
Total OPEB Liability as a Percentage of Covered-Employee Payroll	5.33%	7.86%	5.77%	6.78%	6.56%	4.28%

Notes to Schedule:

Plan Information:

Single-employer unfunded OPEB plan

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

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%

Actuarial Valuation and Measurement Date:

December 31

Significant actuarial assumptions used to measure the total OPEB liability:

Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Discount Rate	4.05% (1.84% in prior year)
Retiree's Share of Benefit-related Costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No.68
Mortality – Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality – Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

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

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

Nonmajor Special Revenue Funds (Continued)

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

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

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

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

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

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

Nonmajor Capital Projects Fund

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

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

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

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

Prairie View Public Improvement District Fund – This fund is used to account for the taxes collected in a designated reinvestment zone to be used for public improvements.

Hollow Public Improvement District Fund – This fund is used to account for the taxes collected in a designated reinvestment zone to be used for public improvements.

Nonmajor Permanent Fund

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

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

City of Ennis, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

Assets	Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Permanent	Total Nonmajor Governmental Funds
Cash and cash equivalents	\$ 3,363,017	\$ 1,969,927	\$ 233,517	\$ 5,566,461
Other receivables	643,364	24,733	-	668,097
Intergovernmental receivables	-	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 4,006,381</u>	<u>\$ 1,994,660</u>	<u>\$ 233,517</u>	<u>\$ 6,234,558</u>
Liabilities				
Accounts payable	\$ 156,847	\$ 4,085	\$ -	\$ 160,932
Unearned revenue	-	-	-	-
Accrued payroll	9,811	-	-	9,811
Due to other funds	5,562	-	-	5,562
Total liabilities	<u>172,220</u>	<u>4,085</u>	<u>-</u>	<u>176,305</u>
Deferred Inflows of Resources				
Unavailable revenue – property taxes	-	8,859	-	8,859
Total deferred inflows of resources	<u>-</u>	<u>8,859</u>	<u>-</u>	<u>8,859</u>
Fund Balances				
Nonspendable:				
Endowment	-	-	28,966	28,966
Restricted:				
Capital projects	-	1,981,716	-	1,981,716
Cultural and recreational	1,057,455	-	204,551	1,262,006
Public safety	1,121,432	-	-	1,121,432
Streets	1,087,060	-	-	1,087,060
Tourism	573,776	-	-	573,776
Unassigned (Deficit)	<u>(5,562)</u>	<u>-</u>	<u>-</u>	<u>(5,562)</u>
Total fund balances	<u>3,834,161</u>	<u>1,981,716</u>	<u>233,517</u>	<u>6,049,394</u>
Total liabilities and fund balances	<u>\$ 4,006,381</u>	<u>\$ 1,994,660</u>	<u>\$ 233,517</u>	<u>\$ 6,234,558</u>

City of Ennis, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Permanent	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ 1,114,050	\$ -	\$ 1,114,050
Sales taxes	3,413,485	-	-	3,413,485
Hotel occupancy taxes	533,543	-	-	533,543
Fines and forfeitures	15,636	-	-	15,636
Investment earnings	8,938	4,605	10	13,553
Miscellaneous	203	-	10,240	10,443
Intergovernmental	-	-	-	-
Contributions and donations	120,884	-	-	120,884
	<u>4,092,689</u>	<u>1,118,655</u>	<u>10,250</u>	<u>5,221,594</u>
Total revenues				
Expenditures				
Current:				
General government	328,943	-	-	328,943
Public safety	1,201,851	-	-	1,201,851
Streets	2,038,376	-	-	2,038,376
Cultural and recreational	7,812	-	-	7,812
Capital outlay:	-	57,898	-	57,898
	<u>3,576,982</u>	<u>57,898</u>	<u>-</u>	<u>3,634,880</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>515,707</u>	<u>1,060,757</u>	<u>10,250</u>	<u>1,586,714</u>
Other Financing Sources (Uses)				
Transfers out	(2,236,188)	-	-	(2,236,188)
Sale of capital assets	3,690	-	-	3,690
	<u>(2,232,498)</u>	<u>-</u>	<u>-</u>	<u>(2,232,498)</u>
Total other financing sources (uses)				
Net Change in Fund Balances	(1,716,791)	1,060,757	10,250	(645,784)
Fund Balances, Beginning	<u>5,550,952</u>	<u>920,959</u>	<u>223,267</u>	<u>6,695,178</u>
Fund Balances, Ending	<u>\$ 3,834,161</u>	<u>\$ 1,981,716</u>	<u>\$ 233,517</u>	<u>\$ 6,049,394</u>

City of Ennis, Texas
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2023

Assets	Museum	Forfeited Contraband	Law Enforcement Education	COPS More Grant	COE 2010 Trust Library	Tourism	Court Technology	Court Security
Cash and cash equivalents	\$ 8,698	\$ 28,975	\$ 3,591	\$ 2	\$ 494,089	\$ 535,697	\$ -	\$ 32,355
Other receivables	-	-	-	-	-	81,622	-	-
Total assets	\$ 8,698	\$ 28,975	\$ 3,591	\$ 2	\$ 494,089	\$ 617,319	\$ -	\$ 32,355
Liabilities								
Accounts payable	\$ 13	\$ -	\$ -	\$ -	\$ 219	\$ 33,732	\$ -	\$ -
Accrued payroll	-	-	-	-	-	9,811	-	-
Due to other funds	-	-	-	-	-	-	5,562	-
Total liabilities	13	-	-	-	219	43,543	5,562	-
Fund Balances (Deficit)								
Restricted:								
Cultural and recreation	8,685	-	-	-	493,870	-	-	-
Public safety	-	28,975	3,591	2	-	-	-	32,355
Streets	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	573,776	-	-
Unassigned (Deficit)	-	-	-	-	-	-	(5,562)	-
Total fund balances (deficit)	8,685	28,975	3,591	2	493,870	573,776	(5,562)	32,355
Total liabilities and fund balances	\$ 8,698	\$ 28,975	\$ 3,591	\$ 2	\$ 494,089	\$ 617,319	\$ -	\$ 32,355

City of Ennis, Texas
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
September 30, 2023

Assets	Crime Control and Prevention District	Street Maintenance	Police Donation	Fire Donation	Parks Donation	Cardinals Park Land Development	Bluebonnet Estates Park Land Development	Creechville Zone Park Land Development	Employee Appreciation	Totals
Cash and cash equivalents	\$ 808,422	\$ 873,515	\$ 8,060	\$ 14,713	\$ 3,709	119,000	210,527	221,664	\$ -	\$ 3,363,017
Other receivables	276,005	285,737	-	-	-	-	-	-	-	643,364
Total assets	\$ 1,084,427	\$ 1,159,252	\$ 8,060	\$ 14,713	\$ 3,709	\$ 119,000	\$ 210,527	\$ 221,664	\$ -	\$ 4,006,381
Liabilities										
Accounts payable	\$ 50,691	\$ 72,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,847
Accrued payroll	-	-	-	-	-	-	-	-	-	9,811
Due to other funds	-	-	-	-	-	-	-	-	-	5,562
Total liabilities	50,691	72,192	-	-	-	-	-	-	-	172,220
Fund Balances (Deficit)										
Restricted:										
Cultural and recreation	-	-	-	-	3,709	119,000	210,527	221,664	-	1,057,455
Public safety	1,033,736	-	8,060	14,713	-	-	-	-	-	1,121,432
Streets	-	1,087,060	-	-	-	-	-	-	-	1,087,060
Tourism	-	-	-	-	-	-	-	-	-	573,776
Unassigned (Deficit)	-	-	-	-	-	-	-	-	-	(5,562)
Total fund balances (deficit)	1,033,736	1,087,060	8,060	14,713	3,709	119,000	210,527	221,664	-	3,834,161
Total liabilities and fund balances	\$ 1,084,427	\$ 1,159,252	\$ 8,060	\$ 14,713	\$ 3,709	\$ 119,000	\$ 210,527	\$ 221,664	\$ -	\$ 4,006,381

City of Ennis, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For Year Ended September 30, 2023

Revenues	Museum	Forfeited Contraband	Law Enforcement Education	COPS More Grant	COE 2010 Trust Library	Tourism	Court Technology	Court Security
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel occupancy taxes	-	-	-	-	-	533,543	-	-
Fines and forfeitures	-	-	-	-	-	-	9,717	5,919
Investment earnings	33	152	21	-	1,865	1,602	-	111
Miscellaneous	180	-	-	-	-	23	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Contributions and donations	-	-	-	-	10,052	-	-	-
Total revenues	213	152	21	-	11,917	535,168	9,717	6,030
Expenditures								
Current:								
General government	-	-	-	-	-	327,168	-	195
Public safety	-	21,397	5,178	-	-	-	-	-
Streets	-	-	-	-	-	-	-	-
Cultural and recreation	142	-	-	-	5,185	-	-	-
Total expenditures	142	21,397	5,178	-	5,185	327,168	-	195
Excess (deficiency) of revenues over (under) expenditures	71	(21,245)	(5,157)	-	6,732	208,000	9,717	5,835
Other Financing Sources (Uses)								
Transfers out	-	-	-	-	-	(126,300)	-	-
Sale of capital assets	-	3,690	-	-	-	-	-	-
Total other financing sources (uses)	-	3,690	-	-	-	(126,300)	-	-
Net Change in Fund Balances	71	(17,555)	(5,157)	-	6,732	81,700	9,717	5,835
Fund Balances, Beginning	8,614	46,530	8,748	2	487,138	492,076	(15,279)	26,520
Fund Balances, Ending	\$ 8,685	\$ 28,975	\$ 3,591	\$ 2	\$ 493,870	\$ 573,776	\$ (5,562)	\$ 32,355

City of Ennis, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For Year Ended September 30, 2023

Revenues	Crime Control and Prevention District	Street Maintenance	Police Donation	Fire Donation	Parks Donation	Cardinals Park Land Development	Bluebonnet Estates Park Land Development	Creechville Zone Park Land Development	Employee Appreciation	Totals
Sales taxes	\$ 1,688,443	\$ 1,725,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,413,485
Hotel occupancy taxes	-	-	-	-	-	-	-	-	-	533,543
Fines and forfeitures	-	-	-	-	-	-	-	-	-	15,636
Investment earnings	5,059	-	30	53	10	-	-	-	2	8,938
Miscellaneous	-	-	-	-	-	-	-	-	-	203
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Contributions and donations	-	-	-	7,200	5,500	-	98,132	-	-	120,884
Total revenues	1,693,502	1,725,042	30	7,253	5,510	-	98,132	-	2	4,092,689
Expenditures										
Current:										
General government	-	-	-	-	-	-	-	-	1,580	328,943
Public safety	1,169,479	-	-	5,797	-	-	-	-	-	1,201,851
Streets	-	2,038,376	-	-	-	-	-	-	-	2,038,376
Cultural and recreation	-	-	-	-	2,485	-	-	-	-	7,812
Total expenditures	1,169,479	2,038,376	-	5,797	2,485	-	-	-	1,580	3,576,982
Excess (deficiency) of revenues over (under) expenditures	524,023	(313,334)	30	1,456	3,025	-	98,132	-	(1,578)	515,707
Other Financing Sources (Uses)										
Transfers out	(1,259,888)	(850,000)	-	-	-	-	-	-	-	(2,236,188)
Sale of capital assets	-	-	-	-	-	-	-	-	-	3,690
Total other financing sources (uses)	(1,259,888)	(850,000)	-	-	-	-	-	-	-	(2,232,498)
Net Change in Fund Balances	(735,865)	(1,163,334)	30	1,456	3,025	-	98,132	-	(1,578)	(1,716,791)
Fund Balances, Beginning	1,769,601	2,250,394	8,030	13,257	684	119,000	112,395	221,664	1,578	5,550,952
Fund Balances, Ending	\$ 1,033,736	\$ 1,087,060	\$ 8,060	\$ 14,713	\$ 3,709	\$ 119,000	\$ 210,527	\$ 221,664	\$ -	\$ 3,834,161

City of Ennis, Texas
Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2023

Assets	Tax Increment Reinvestment Zone #1	Tax Increment Reinvestment Zone #2	Tax Increment Reinvestment Zone #3	Prairie View PID	Hollow PID	Total
Cash and cash equivalents	\$ 1,153,889	\$ 514,926	\$ 271,112	\$ -	\$ 30,000	\$ 1,969,927
Other receivables	4,732	3,169	1,832	15,000	-	24,733
Total assets	<u>1,158,621</u>	<u>518,095</u>	<u>272,944</u>	<u>15,000</u>	<u>30,000</u>	<u>1,994,660</u>
Liabilities						
Accounts payable	-	-	-	2,508	1,577	4,085
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,508</u>	<u>1,577</u>	<u>4,085</u>
Deferred Inflows of Resources						
Unavailable revenue – property taxes	4,307	2,885	1,667	-	-	8,859
Total deferred inflows of resources	<u>4,307</u>	<u>2,885</u>	<u>1,667</u>	<u>-</u>	<u>-</u>	<u>8,859</u>
Fund Balances						
Restricted:						
Capital projects	1,154,314	515,210	271,277	12,492	28,423	1,981,716
Total fund balances	<u>1,154,314</u>	<u>515,210</u>	<u>271,277</u>	<u>12,492</u>	<u>28,423</u>	<u>1,981,716</u>
Total liabilities and fund balances	<u>\$ 1,154,314</u>	<u>\$ 515,210</u>	<u>\$ 271,277</u>	<u>\$ 15,000</u>	<u>\$ 30,000</u>	<u>\$ 1,985,801</u>

City of Ennis, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended September 30, 2023

Revenues	Tax Increment Reinvestment Zone #1	Tax Increment Reinvestment Zone #2	Tax Increment Reinvestment Zone #3	Prairie View PID	Hollow PID	Total
Property taxes	\$ 523,835	\$ 342,095	\$ 203,120	\$ 15,000	\$ 30,000	\$ 1,114,050
Investment earnings	3,034	1,167	404	-	-	4,605
Total revenues	<u>526,869</u>	<u>343,262</u>	<u>203,524</u>	<u>15,000</u>	<u>30,000</u>	<u>1,118,655</u>
Expenditures						
Capital outlay	<u>76</u>	<u>53,629</u>	<u>108</u>	<u>2,508</u>	<u>1,577</u>	<u>57,898</u>
Total expenditures	<u>76</u>	<u>53,629</u>	<u>108</u>	<u>2,508</u>	<u>1,577</u>	<u>57,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>526,793</u>	<u>289,633</u>	<u>203,416</u>	<u>12,492</u>	<u>28,423</u>	<u>1,060,757</u>
Net Change in Fund Balances	<u>526,793</u>	<u>289,633</u>	<u>203,416</u>	<u>12,492</u>	<u>28,423</u>	<u>1,060,757</u>
Fund Balances, Beginning	<u>627,521</u>	<u>225,577</u>	<u>67,861</u>	<u>-</u>	<u>-</u>	<u>920,959</u>
Fund Balances, Ending	<u><u>\$ 1,154,314</u></u>	<u><u>\$ 515,210</u></u>	<u><u>\$ 271,277</u></u>	<u><u>\$ 12,492</u></u>	<u><u>\$ 28,423</u></u>	<u><u>\$ 1,981,716</u></u>

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Debt Service Fund

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

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City of Ennis, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Debt Service Fund
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 6,922,356	\$ 6,922,356	\$ 7,055,174	\$ 132,818
Investment earnings	2,000	2,000	4,237	2,237
Total revenues	6,924,356	6,924,356	7,059,411	135,055
Expenditures				
Principal retirement	4,830,000	4,980,000	4,980,000	-
Interest and fiscal charges	2,724,004	2,724,004	2,723,479	525
Total expenditures	7,554,004	7,704,004	7,703,479	525
Excess (deficiency) of revenues over (under) expenditures	(629,648)	(779,648)	(644,068)	134,530
Other Financing Sources				
Transfers in	699,688	699,688	699,688	-
Total other financing sources	699,688	699,688	699,688	-
Net Change in Fund Balance	70,040	(79,960)	55,620	134,530
Fund Balance, Beginning	105,597	105,597	105,597	-
Fund Balance, Ending	\$ 175,637	\$ 25,637	\$ 161,217	\$ 134,530

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Proprietary Funds

Nonmajor Enterprise Funds

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

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

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City of Ennis, Texas
Statement of Net Position
Nonmajor Proprietary Funds
September 30, 2023

	Business-type Activities - Enterprise		
	Sanitation	Airport	Total Nonmajor Enterprise Funds
Assets			
Current Assets			
Cash and cash equivalents	\$ 623,313	\$ -	\$ 623,313
Receivables (net of allowance for uncollectibles)	213,869	13	213,882
Lease receivable	36,341	-	36,341
Inventories	-	28,295	28,295
Total current assets	<u>873,523</u>	<u>28,308</u>	<u>901,831</u>
Noncurrent Assets			
Capital and lease assets (net, where applicable of accumulated depreciation/amortization)	<u>1,323,405</u>	<u>839,407</u>	<u>2,162,812</u>
Total noncurrent assets	<u>1,323,405</u>	<u>839,407</u>	<u>2,162,812</u>
Total assets	<u>2,196,928</u>	<u>867,715</u>	<u>3,064,643</u>
Deferred Outflows of Resources			
Deferred outflows of resources related to pension	502,416	-	502,416
Deferred outflows of resources related to OPEB	<u>6,278</u>	<u>-</u>	<u>6,278</u>
Total deferred outflows of resources	<u>508,694</u>	<u>-</u>	<u>508,694</u>
Liabilities			
Current Liabilities			
Accounts payable	39,621	3,059	42,680
Accrued payroll payable	48,392	-	48,392
Due to other funds	<u>-</u>	<u>191,719</u>	<u>191,719</u>
Total current liabilities	<u>88,013</u>	<u>194,778</u>	<u>282,791</u>
Noncurrent Liabilities			
Net pension liability	784,018	-	784,018
Total OPEB liability	<u>29,924</u>	<u>-</u>	<u>29,924</u>
Total noncurrent liabilities	<u>813,942</u>	<u>-</u>	<u>813,942</u>
Total liabilities	<u>901,955</u>	<u>194,778</u>	<u>1,096,733</u>
Deferred Inflows of Resources			
Deferred inflows of resources related to pension	11,527	-	11,527
Deferred inflows of resources related to OPEB	15,543	-	15,543
Deferred inflows of resources related to leases	<u>35,533</u>	<u>-</u>	<u>35,533</u>
Total deferred inflows of resources	<u>62,603</u>	<u>-</u>	<u>62,603</u>
Net Position			
Net investment in capital assets	1,323,405	839,407	2,162,812
Unrestricted (Deficit)	<u>417,659</u>	<u>(166,470)</u>	<u>251,189</u>
Total net position	<u>\$ 1,741,064</u>	<u>\$ 672,937</u>	<u>\$ 2,414,001</u>

City of Ennis, Texas
Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Activities – Enterprise		
	Sanitation	Airport	Total Nonmajor Enterprise Funds
Operating Revenues			
Sanitation revenue	\$ 1,822,276	\$ -	\$ 1,822,276
Airport revenue	-	209,417	209,417
Total operating revenues	1,822,276	209,417	2,031,693
Operating Expenses			
Personnel	1,026,794	-	1,026,794
Supplies	103,361	167,998	271,359
Maintenance and replacement	125,944	63,022	188,966
Miscellaneous services	99,320	19,335	118,655
Depreciation and amortization	311,543	2,093	313,636
Total operating expenses	1,666,962	252,448	1,919,410
Operating income (loss)	155,314	(43,031)	112,283
Nonoperating Revenue (Expenses)			
Interest income	1,240	-	1,240
Total nonoperating revenue (expenses)	1,240	-	1,240
Income before transfers	156,554	(43,031)	113,523
Transfers in	47,598	30,000	77,598
Transfers out	(193,018)	-	(193,018)
Change in net position	11,134	(13,031)	(1,897)
Net Position, Beginning	1,729,930	685,968	2,415,898
Net Position, Ending	\$ 1,741,064	\$ 672,937	\$ 2,414,001

City of Ennis, Texas
Statement of Cash Flows
Nonmajor Proprietary Funds
For Year Ended September 30, 2023

	Business-type Activities – Enterprise		
	Sanitation	Airport	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities			
Receipts from customers	\$ 1,810,975	\$ 209,404	\$ 2,020,379
Payments to suppliers and service providers	(334,496)	(248,549)	(583,045)
Payments to employees for salaries and benefits	(955,619)	-	(955,619)
	<u>520,860</u>	<u>(39,145)</u>	<u>481,715</u>
Net cash provided by (used for) operating activities			
Cash Flows From Noncapital Financing Activities			
Transfers to other funds	(193,018)	-	(193,018)
Transfers from other funds	47,598	39,145	86,743
	<u>(145,420)</u>	<u>39,145</u>	<u>(106,275)</u>
Net cash provided by (used for) noncapital financing activities			
Cash Flows From Capital And Related Financing Activities			
Acquisition and construction of capital assets	(195,853)	-	(195,853)
Interest income	1,240	-	1,240
	<u>(194,613)</u>	<u>-</u>	<u>(194,613)</u>
Net cash used for capital and related financing activities			
Net increase in cash and cash equivalents	180,827	-	180,827
Cash and cash equivalents, October 1	442,486	-	442,486
Cash and cash equivalents, September 30	<u>\$ 623,313</u>	<u>\$ -</u>	<u>\$ 623,313</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating income (loss)	\$ 155,314	\$ (43,031)	\$ 112,283
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	311,543	2,093	313,636
(Increase) decrease in accounts receivable	(11,301)	(13)	(11,314)
(Increase) decrease in lease receivable	(36,341)	-	(36,341)
(Increase) decrease in pension related deferred outflows	(343,222)	-	(343,222)
(Increase) decrease in OPEB related deferred outflows	11,046	-	11,046
Increase (decrease) in accounts payable	(5,063)	1,806	(3,257)
Increase (decrease) in accrued payroll payable	16,441	-	16,441
Increase (decrease) in pension related deferred inflows	(245,082)	-	(245,082)
Increase (decrease) in OPEB related deferred inflows	2,305	-	2,305
Increase (decrease) in lease related deferred inflows	35,533	-	35,533
Increase (decrease) in net pension liability	642,683	-	642,683
Increase (decrease) in Total OPEB liability	(12,996)	-	(12,996)
	<u>365,546</u>	<u>3,886</u>	<u>369,432</u>
Total adjustments			
Net cash provided by (used for) operating activities	<u>\$ 520,860</u>	<u>\$ (39,145)</u>	<u>\$ 481,715</u>

City of Ennis, Texas
Schedule of Operating Revenues and Operating Expenses
Budget and Actual
Enterprise Fund - Utility
For the Fiscal Year Ended September 30, 2023

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original	Final	GAAP Basis	
Water Operating Revenues				
Water sales	\$ 6,274,842	\$ 6,274,842	\$ 6,647,705	\$ 372,863
Water taps and connections	203,662	203,662	227,277	23,615
Penalties	135,466	135,466	178,553	43,087
Reconnection charges	35,000	35,000	41,165	6,165
Miscellaneous	159,160	159,160	668,885	509,725
	<u>6,808,130</u>	<u>6,808,130</u>	<u>7,763,585</u>	<u>955,455</u>
Sewer Operating Revenues				
Sewer service charge	4,947,672	4,947,672	5,328,193	380,521
Sewer taps and connection	12,756	12,756	14,510	1,754
EPA fees	70,000	70,000	49,712	(20,288)
	<u>5,030,428</u>	<u>5,030,428</u>	<u>5,392,415</u>	<u>361,987</u>
Total operating revenues	<u>\$ 11,838,558</u>	<u>\$ 11,838,558</u>	<u>\$ 13,156,000</u>	<u>\$ 1,317,442</u>
Operating Expenses				
Administration:				
Personnel	\$ 548,370	\$ 471,083	\$ 477,615	\$ (6,532)
Supplies	15,800	15,800	16,548	(748)
Maintenance and replacement	1,600	1,600	2,444	(844)
Miscellaneous services	134,100	134,100	204,345	(70,245)
Capital Outlay	-	-	-	-
	<u>699,870</u>	<u>622,583</u>	<u>700,952</u>	<u>(78,369)</u>
Water operations:				
Personnel	1,654,778	1,732,065	1,869,538	(137,473)
Supplies	964,200	1,214,200	1,417,014	(202,814)
Maintenance and replacement	505,000	438,610	673,207	(234,597)
Miscellaneous services	303,050	327,550	503,201	(175,651)
Capital outlay	-	-	-	-
	<u>3,427,028</u>	<u>3,712,425</u>	<u>4,462,960</u>	<u>(750,535)</u>
Sewer operations:				
Personnel	1,328,758	1,328,758	1,307,890	20,868
Supplies	308,200	358,200	349,996	8,204
Maintenance and replacement	310,000	330,000	419,769	(89,769)
Miscellaneous services	472,900	487,900	551,327	(63,427)
Capital outlay	-	-	-	-
	<u>2,419,858</u>	<u>2,504,858</u>	<u>2,628,982</u>	<u>(124,124)</u>
Total operating expenses before depreciation and amortization	6,546,756	6,839,866	7,792,894	(953,028)
Depreciation and amortization	-	-	3,571,165	(3,571,165)
Total operating expenses	<u>\$ 6,546,756</u>	<u>\$ 6,839,866</u>	<u>\$ 11,364,059</u>	<u>\$ (4,524,193)</u>

City of Ennis, Texas
Schedule of Operating Revenues and Operating Expenses
Budget and Actual
Enterprise Fund - Sanitation
For the Fiscal Year Ended September 30, 2023

	<u>Budgeted Amounts</u>		Actual GAAP Basis	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Sanitation revenues	\$ 1,602,629	\$ 1,602,629	\$ 1,822,276	\$ 219,647
Miscellaneous	26,052	26,052	-	(26,052)
	<u>\$ 1,628,681</u>	<u>\$ 1,628,681</u>	<u>\$ 1,822,276</u>	<u>\$ 193,595</u>
Operating Expenses				
Sanitation				
Personnel	\$ 1,040,638	\$ 1,040,638	\$ 1,026,794	\$ 13,844
Supplies	87,100	90,052	103,361	(13,309)
Maintenance and replacement	63,000	133,886	125,944	7,942
Miscellaneous services	206,471	779,603	99,320	680,283
	<u>1,397,209</u>	<u>2,044,179</u>	<u>1,355,419</u>	<u>688,760</u>
Total operating expenses before depreciation and amortization				
Depreciation and amortization	-	-	311,543	(311,543)
	<u>\$ 1,397,209</u>	<u>\$ 2,044,179</u>	<u>\$ 1,666,962</u>	<u>\$ 377,217</u>

City of Ennis, Texas
Schedule of Operating Revenues and Operating Expenses
Budget and Actual
Enterprise Fund - Airport
For the Fiscal Year Ended September 30, 2023

	<u>Budgeted Amounts</u>		Actual GAAP Basis	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Airport revenues	\$ 152,702	\$ 152,702	\$ 209,417	\$ 56,715
Miscellaneous	60,000	60,000	-	(60,000)
Total operating revenues	<u>\$ 212,702</u>	<u>\$ 212,702</u>	<u>\$ 209,417</u>	<u>\$ (3,285)</u>
Operating Expenses				
Airport:				
Supplies	\$ 147,600	\$ 147,600	\$ 167,998	\$ (20,398)
Maintenance and replacement	37,000	86,969	63,022	23,947
Miscellaneous services	14,891	44,891	19,335	25,556
Total operating expenses before depreciation and amortization	199,491	279,460	250,355	29,105
Depreciation and amortization	-	-	2,093	(2,093)
Total operating expenses	<u>\$ 199,491</u>	<u>\$ 279,460</u>	<u>\$ 252,448</u>	<u>\$ 27,012</u>

Internal Service Funds

Self-Insurance Fund - This fund is used to account for self-insurance services provided to other departments of the City on a cost-reimbursement basis for medical claims and prescription drugs.

Fleet Replacement Fund - This fund is used to account for fleet maintenance services provided to other departments of the City on a cost-reimbursement basis.

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City of Ennis, Texas
Statement of Net Position
Internal Service Funds
September 30, 2023

Assets	Internal Service Funds		
	Self Insurance Fund	Fleet Replacement Fund	Total Internal Service Funds
Cash and cash equivalents	\$ 3,444,273	649,778	\$ 4,094,051
Due from other funds	17,211	-	17,211
Total assets	3,461,484	649,778	4,111,262
 Liabilities			
Accounts payable	-	49,597	49,597
Claims payable	669,175	-	669,175
Total liabilities	669,175	49,597	718,772
 Net Position			
Unrestricted	2,792,309	600,181	3,392,490
Total net position	\$ 2,792,309	\$ 600,181	\$ 3,392,490

City of Ennis, Texas
Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2023

	Internal Service Funds		
	Self Insurance Fund	Fleet Replacement Fund	Total Internal Service Funds
Operating Revenues			
Charges for services	\$ 4,689,680	\$ -	\$ 4,689,680
Total operating revenues	<u>4,689,680</u>	<u>-</u>	<u>4,689,680</u>
Operating Expenses			
Insurance claims and expenses	4,463,972	-	4,463,972
Maintenance and replacement	-	504,609	504,609
Total operating expenses	<u>4,463,972</u>	<u>504,609</u>	<u>4,968,581</u>
Operating income (loss)	<u>225,708</u>	<u>(504,609)</u>	<u>(278,901)</u>
Nonoperating Revenue (Expenses)			
Gain on disposal of property	-	405,477	405,477
Total nonoperating revenue (expenses)	<u>-</u>	<u>405,477</u>	<u>405,477</u>
Income before transfers	225,708	(99,132)	126,576
Transfers in	-	699,313	699,313
Transfers out	<u>(353,063)</u>	<u>-</u>	<u>(353,063)</u>
Change in net position	(127,355)	600,181	472,826
Net Position, Beginning	<u>2,919,664</u>	<u>-</u>	<u>2,919,664</u>
Net Position, Ending	<u>\$ 2,792,309</u>	<u>\$ 600,181</u>	<u>\$ 3,392,490</u>

City of Ennis, Texas
Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2023

	Internal Service Funds		
	Self Insurance Fund	Fleet Replacement Fund	Total Internal Service Funds
Cash Flows From Operating Activities			
Receipts from interfund charges for self-insurance	\$ 4,689,680	\$ -	\$ 4,689,680
Payments to suppliers and service providers	(4,455,908)	(455,012)	(4,910,920)
Net cash provided by (used for) operating activities	<u>233,772</u>	<u>(455,012)</u>	<u>(221,240)</u>
Cash Flows From Noncapital Financing Activities			
Transfers to other funds	(381,666)	-	(381,666)
Transfers from other funds	-	699,313	699,313
Net cash provided by (used for) noncapital financing activities	<u>(381,666)</u>	<u>699,313</u>	<u>317,647</u>
Cash Flows From Capital And Related Financing Activities			
Proceeds from the sale of capital assets	-	405,477	405,477
Net cash provided by capital and related financing activities	<u>-</u>	<u>405,477</u>	<u>405,477</u>
Net increase (decrease) in cash and cash equivalents	(147,894)	649,778	501,884
Cash and cash equivalents, October 1	<u>3,592,167</u>	<u>-</u>	<u>3,592,167</u>
Cash and cash equivalents, September 30	<u>\$ 3,444,273</u>	<u>\$ 649,778</u>	<u>\$ 4,094,051</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating income (loss)	\$ 225,708	\$ (504,609)	\$ (278,901)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
(Increase) decrease in accounts payable	8,064	49,597	57,661
Total adjustments	<u>8,064</u>	<u>49,597</u>	<u>57,661</u>
Net cash provided by (used for) operating activities	<u>\$ 233,772</u>	<u>\$ (455,012)</u>	<u>\$ (221,240)</u>

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Statistical Section

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City of Ennis, Texas

Table Descriptions

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

Contents Pages

Financial Trends	95-99
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	99-103
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	104-107
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.	
Demographic and Economic Information	108-110
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.	
Operating Information	111-113
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

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

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

	Fiscal Year			
	2014	2015	2016	2017
Governmental Activities				
Net investment in capital assets	\$ 27,768,206	\$ 27,488,955	\$ 28,345,988	\$ 30,870,870
Restricted	1,378,049	2,392,432	3,470,822	4,423,202
Unrestricted	2,883,184	451,345	(38,762)	(3,109,063)
Total governmental activities net position	<u>\$ 32,029,439</u>	<u>\$ 30,332,732</u>	<u>\$ 31,778,048</u>	<u>\$ 32,185,009</u>
Business-type Activities				
Net investment in capital assets	\$ 22,632,356	\$ 22,776,396	\$ 23,387,335	\$ 23,918,285
Restricted	600,548	-	-	-
Unrestricted	2,946,577	2,213,968	2,328,080	2,215,764
Total business-type activities net position	<u>\$ 26,179,481</u>	<u>\$ 24,990,364</u>	<u>\$ 25,715,415</u>	<u>\$ 26,134,049</u>
Primary Government				
Net investment in capital assets	\$ 50,400,562	\$ 50,265,351	\$ 51,733,323	\$ 54,789,155
Restricted	1,978,597	2,392,432	3,470,822	4,423,202
Unrestricted	5,829,761	2,665,313	2,289,318	(893,299)
Total primary government net position	<u>\$ 58,208,920</u>	<u>\$ 55,323,096</u>	<u>\$ 57,493,463</u>	<u>\$ 58,319,058</u>

Source: Annual Comprehensive Financial Report

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

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 29,095,218	\$ 28,875,948	\$ 25,918,970	\$ 28,463,890	\$ 29,775,266	\$ 39,784,516	
4,037,124	2,136,186	4,311,693	4,209,037	12,505,972	17,645,852	
(675,895)	105,591	76,134	12,733,099	17,779,279	13,765,382	
<u>\$ 32,456,447</u>	<u>\$ 31,117,725</u>	<u>\$ 30,306,797</u>	<u>\$ 45,406,026</u>	<u>\$ 60,060,517</u>	<u>\$ 71,195,750</u>	
\$ 25,043,255	\$ 29,033,174	\$ 32,807,774	\$ 38,282,575	\$ 40,714,128	\$ 41,649,621	
-	-	-	-	-	-	
2,930,528	2,568,272	1,553,060	1,859,703	3,053,127	6,455,245	
<u>\$ 27,973,783</u>	<u>\$ 31,601,446</u>	<u>\$ 34,360,834</u>	<u>\$ 40,142,278</u>	<u>\$ 43,767,255</u>	<u>\$ 48,104,866</u>	
\$ 54,138,473	\$ 57,909,122	\$ 58,726,744	\$ 66,746,465	\$ 70,489,394	\$ 81,434,137	
4,037,124	2,136,186	4,311,693	4,209,037	12,505,972	17,645,852	
2,254,633	2,673,863	1,629,194	14,592,802	20,832,406	20,220,627	
<u>\$ 60,430,230</u>	<u>\$ 62,719,171</u>	<u>\$ 64,667,631</u>	<u>\$ 85,548,304</u>	<u>\$ 103,827,772</u>	<u>\$ 119,300,616</u>	

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

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	\$ 1,103,543	\$ 2,009,993	\$ 2,493,478	\$ 3,484,434
Public Safety	7,980,862	8,355,627	9,328,294	11,271,841
Streets	2,253,495	2,210,989	2,703,513	3,259,684
Health	375,297	384,148	334,096	449,742
Equipment services	140,749	253,835	330,555	343,313
Cultural and recreational	1,222,311	1,270,123	1,278,502	1,710,782
Airport	194,828	169,804	148,531	288,471
Hospital	1,229,356	1,229,356	1,229,321	1,223,582
Public works	90,114	179,270	363,013	372,854
Sanitation services	1,011,691	-	-	-
Interest on long-term debt	1,051,856	832,587	965,000	930,610
Total governmental activities	16,654,102	16,895,732	19,174,303	23,335,313
Business-type activities:				
Utility	8,177,866	7,375,025	7,840,074	8,061,956
Sanitation	-	1,060,622	1,153,513	1,122,815
Airport	-	-	-	-
Total business-type activities	8,177,866	8,435,647	8,993,587	9,184,771
Total expenses	\$ 24,831,968	\$ 25,331,379	\$ 28,167,890	\$ 32,520,084
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 144,941	\$ 222,213	\$ 308,178	\$ 367,645
Public safety	744,872	611,883	763,986	700,651
Airport	149,848	77,164	35,236	46,633
Health	-	-	-	-
Cultural and recreational	19,385	20,603	19,920	15,151
Hospital	544,893	544,893	544,893	544,893
Public Works	21,917	8,958	3,677	5,327
Sanitation services	897,447	-	-	-
Operating grants and contributions	12,013	247,955	458,596	472,921
Capital grants and contributions	-	12,037	270,773	1,345,067
Total governmental activities	2,535,316	1,745,706	2,405,259	3,498,288
Business-type activities:				
Charges for services:				
Utility	7,684,522	8,154,106	8,617,166	9,364,187
Sanitation	-	970,323	1,112,661	1,509,792
Airport	-	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	702,809	129,639
Total business-type activities	7,684,522	9,124,429	10,432,636	11,003,618
Total program revenues	\$ 10,219,838	\$ 10,870,135	\$ 12,837,895	\$ 14,501,906
Net (expense)/revenue				
Government activities	\$ (14,118,786)	\$ (15,150,026)	\$ (16,769,044)	\$ (19,837,025)
Business-type activities	(493,344)	688,782	1,439,049	1,818,847
Total net expense	\$ (14,612,130)	\$ (14,461,244)	\$ (15,329,995)	\$ (18,018,178)

Fiscal Year

	2018	2019	2020	2021	2022	2023
\$	3,052,597	\$ 3,323,582	\$ 9,654,303	\$ 4,377,857	\$ 5,118,335	\$ 8,963,262
	10,408,224	10,731,634	12,703,761	13,037,988	13,714,222	16,648,611
	4,793,071	3,805,200	2,990,759	3,491,357	3,930,028	6,902,210
	502,639	14,151,551	103,997,142	145,722,694	218,194,521	298,309,815
	318,197	405,495	401,137	315,210	344,900	310,039
	1,540,188	1,696,613	1,908,687	1,823,078	2,103,452	2,632,593
	359,718	-	-	-	-	-
	1,160,052	1,160,052	-	-	1,128,807	716,788
	362,099	869,278	557,302	585,827	645,638	797,406
	-	-	-	-	-	-
	897,132	1,818,008	2,381,383	2,503,864	2,637,086	3,224,991
	<u>23,393,917</u>	<u>37,961,413</u>	<u>134,594,474</u>	<u>171,857,875</u>	<u>247,816,989</u>	<u>338,505,715</u>
	8,831,650	8,199,645	9,259,784	10,040,237	11,200,785	12,370,761
	1,182,579	1,180,725	1,299,928	1,479,244	1,348,575	1,666,962
	-	165,814	108,390	178,865	218,031	252,448
	<u>10,014,229</u>	<u>9,546,184</u>	<u>10,668,102</u>	<u>11,698,347</u>	<u>12,767,391</u>	<u>14,290,171</u>
\$	<u>33,408,146</u>	<u>\$ 47,507,597</u>	<u>\$ 145,262,576</u>	<u>\$ 183,556,222</u>	<u>\$ 260,584,380</u>	<u>\$ 352,795,886</u>
\$	692,179	\$ 500,257	\$ 797,022	\$ 632,746	\$ 603,801	\$ 509,810
	721,657	556,997	887,422	704,513	672,285	567,633
	101,059	-	-	-	-	-
	-	11,915,091	98,995,577	146,088,938	221,493,714	306,457,836
	25,080	65,684	104,649	83,080	79,279	66,938
	544,893	544,893	868,138	689,203	657,675	555,298
	3,870	450	-	-	-	-
	-	-	-	-	-	-
	2,070,536	1,180,486	3,395,699	5,034,089	2,861,286	1,468,417
	11,596	466,874	3,562,566	3,070,891	3,462,565	5,532,214
	<u>4,170,870</u>	<u>15,230,732</u>	<u>108,611,073</u>	<u>156,303,460</u>	<u>229,830,605</u>	<u>315,158,146</u>
	10,364,129	10,263,373	10,944,643	11,214,672	11,977,175	13,181,315
	1,511,592	1,481,012	1,555,371	1,582,003	1,696,214	1,822,276
	-	141,230	98,014	161,851	205,447	209,417
	-	19,970	-	-	53,989	-
	-	52,824	3,261,807	4,648,631	2,052,038	1,959,294
	<u>11,875,721</u>	<u>11,958,409</u>	<u>15,859,835</u>	<u>17,607,157</u>	<u>15,984,863</u>	<u>17,172,302</u>
\$	<u>16,046,591</u>	<u>\$ 27,189,141</u>	<u>\$ 124,470,908</u>	<u>\$ 173,910,617</u>	<u>\$ 245,815,468</u>	<u>\$ 332,330,448</u>
\$	(19,223,047)	\$ (22,730,681)	\$ (25,983,401)	\$ (15,554,415)	\$ (17,986,384)	\$ (23,347,569)
	1,861,492	2,412,225	5,191,733	5,908,810	3,217,472	2,882,131
\$	<u>(17,361,555)</u>	<u>\$ (20,318,456)</u>	<u>\$ (20,791,668)</u>	<u>\$ (9,645,605)</u>	<u>\$ (14,768,912)</u>	<u>\$ (20,465,438)</u>

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

	Fiscal Year			
	2014	2015	2016	2017
General Revenues				
Governmental activities:				
Property taxes	\$ 9,909,883	\$ 9,893,516	\$ 10,005,334	\$ 10,957,007
Sales taxes	2,979,576	3,782,774	5,018,180	5,332,377
Franchise taxes	1,622,886	1,606,673	1,550,923	1,629,324
Hotel occupancy taxes	270,869	309,009	344,126	346,010
Alcoholic beverage taxes	34,385	38,206	43,442	42,885
Unrestricted grants and contributions	120,200	118,200	116,000	118,550
Investment earnings	330,224	273,786	283,228	131,188
Gain on sale of capital assets	-	-	-	16,400
Miscellaneous	237,699	163,812	107,252	211,749
Transfers	-	1,191,451	745,875	1,458,496
Total governmental activities	<u>15,505,722</u>	<u>17,377,427</u>	<u>18,214,360</u>	<u>20,243,986</u>
Business-type activities:				
Unrestricted grants and contributions	-	-	-	-
Investment on earnings	34,367	23,463	31,877	7,324
Gain on sale of capital assets	-	-	-	50,959
Miscellaneous	-	-	-	-
Transfers	-	(1,191,451)	(745,875)	(1,458,496)
Total business-type activities	<u>34,367</u>	<u>(1,167,988)</u>	<u>(713,998)</u>	<u>(1,400,213)</u>
Total primary government	<u>\$ 15,540,089</u>	<u>\$ 16,209,439</u>	<u>\$ 17,500,362</u>	<u>\$ 18,843,773</u>
Change in Net Position				
Governmental activities	\$ 1,386,936	\$ 2,227,401	\$ 1,445,316	\$ 406,961
Business-type activities	(458,977)	(479,206)	725,051	418,634
Total change in net position	<u>\$ 927,959</u>	<u>\$ 1,748,195</u>	<u>\$ 2,170,367</u>	<u>\$ 825,595</u>

Source: Annual Comprehensive Financial Report

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

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

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

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 11,290,108	\$ 11,865,422	\$ 14,185,118	\$ 15,124,636	\$ 15,820,591	\$ 19,450,555	
5,404,232	5,324,306	6,280,797	7,585,464	10,771,085	10,360,250	
1,647,872	1,494,793	1,640,222	1,694,133	1,933,079	2,037,382	
389,228	391,787	231,856	516,155	490,768	533,543	
46,153	52,512	49,051	77,564	76,540	93,764	
121,200	-	-	-	-	-	
146,149	391,289	257,103	153,933	93,741	345,584	
112,907	14,800	-	-	-	236,193	
507,296	403,138	11,767	605,402	885,177	434,456	
(97,570)	203,424	2,516,559	170,161	2,569,984	991,075	
<u>19,567,575</u>	<u>20,141,471</u>	<u>25,172,473</u>	<u>25,927,448</u>	<u>32,640,965</u>	<u>34,482,802</u>	
-	-	-	-	2,772,566	2,276,597	
30,040	169,245	79,097	38,460	91,511	169,958	
(47,914)	-	5,117	4,334	113,412	-	
-	-	-	-	-	-	
97,570	(203,424)	(2,516,559)	(170,161)	(2,569,984)	(991,075)	
<u>79,696</u>	<u>(34,179)</u>	<u>(2,432,345)</u>	<u>(127,367)</u>	<u>407,505</u>	<u>1,455,480</u>	
<u>\$ 19,647,271</u>	<u>\$ 20,107,292</u>	<u>\$ 22,740,128</u>	<u>\$ 25,800,081</u>	<u>\$ 33,048,470</u>	<u>\$ 35,938,282</u>	
\$ 344,528	\$ (2,589,210)	\$ (810,928)	\$ 10,373,033	\$ 14,654,581	\$ 11,135,233	
1,941,188	2,378,046	2,759,388	5,781,443	3,624,977	4,337,611	
<u>\$ 2,285,716</u>	<u>\$ (211,164)</u>	<u>\$ 1,948,460</u>	<u>\$ 16,154,476</u>	<u>\$ 18,279,558</u>	<u>\$ 15,472,844</u>	

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

	Fiscal Year			
	2014	2015	2016	2017
General fund				
Nonspendable	\$ 261,936	\$ 311,358	\$ 69,308	\$ 84,625
Restricted	35,950	3,096	3,096	4,650
Assigned	-	-	203,464	-
Unassigned	8,079,732	7,801,393	7,712,536	5,779,072
Total general fund	<u>\$ 8,377,618</u>	<u>\$ 8,115,847</u>	<u>\$ 7,988,404</u>	<u>\$ 5,868,347</u>
All other governmental funds				
Nonspendable	\$ 28,966	\$ 28,966	\$ 32,554	\$ 36,961
Restricted	6,307,671	3,640,617	13,255,506	18,812,318
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 6,336,637</u>	<u>\$ 3,669,583</u>	<u>\$ 13,288,060</u>	<u>\$ 18,849,279</u>

Source: Annual Comprehensive Financial Report

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 84,454	\$ 53,213	\$ 33,482	\$ 21,414	\$ 48,140	\$ 61,177	
4,652	4,708	-	-	-	-	
-	-	-	-	-	-	
6,769,432	8,017,606	8,833,812	11,503,614	14,878,002	10,377,383	
<u>\$ 6,858,538</u>	<u>\$ 8,075,527</u>	<u>\$ 8,867,294</u>	<u>\$ 11,525,028</u>	<u>\$ 14,926,142</u>	<u>\$ 10,438,560</u>	
\$ 36,961	\$ 28,966	\$ 28,966	\$ 6,676,150	\$ 4,251,392	\$ 5,238,191	
11,427,256	23,347,316	30,209,343	22,768,960	41,097,486	41,395,894	
-	(1,706,059)	(500,174)	(2,787,000)	(15,279)	(5,562)	
<u>\$ 11,464,217</u>	<u>\$ 21,670,223</u>	<u>\$ 29,738,135</u>	<u>\$ 26,658,110</u>	<u>\$ 45,333,599</u>	<u>\$ 46,628,523</u>	

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Property taxes	\$ 9,903,070	\$ 9,899,156	\$ 10,014,934	\$ 10,953,855
Sales taxes	2,979,576	3,782,774	5,018,180	5,332,377
Franchise taxes	1,622,886	1,606,673	1,550,923	1,629,324
Hotel occupancy taxes	270,869	309,009	344,126	346,010
Alcoholic beverage taxes	34,385	38,206	43,442	42,885
Licenses and permits	144,941	200,916	292,635	367,628
Fines and forfeitures	605,176	470,713	625,830	569,395
Charges for current services	1,163,283	233,969	243,145	198,384
Investment earnings	330,224	273,786	283,228	131,188
Miscellaneous	303,910	227,546	76,641	211,749
Intergovernmental	124,010	486,000	722,471	1,397,186
Contributions and donations	8,203	22,255	40,532	19,304
Total revenues	17,490,533	17,551,003	19,256,087	21,199,285
Expenditures				
Current:				
General government	1,124,725	2,000,927	2,934,110	4,975,332
Public Safety	7,850,808	8,304,576	8,875,792	9,698,196
Streets	1,246,624	1,092,572	1,474,034	2,122,396
Health	370,085	375,606	317,168	389,665
Equipment services	138,956	254,287	322,871	303,858
Cultural and recreational	1,060,585	1,137,874	1,105,233	1,472,159
Airport	165,174	54,601	14,570	-
Public works	89,434	179,385	297,208	306,571
Sanitation services	958,107	-	-	-
Capital outlay	1,369,145	3,798,531	362,581	847,885
Debt service:				
Principal retirement	2,956,333	3,178,482	3,041,326	3,202,663
Interest and fiscal charges	946,141	837,011	804,256	818,200
Bond issuance costs	141,483	-	146,343	88,114
Total expenditures	18,417,600	21,213,852	19,695,492	24,225,039
Excess (deficiency) of revenues over (under) expenditures	(927,067)	(3,662,849)	(439,405)	(3,025,754)
Other Financing Sources (Uses)				
Transfers in	3,531,473	984,866	763,408	1,548,526
Transfers out	(3,531,473)	(250,842)	(17,533)	(246,536)
Refunding bonds issued	10,045,000	-	3,325,000	2,080,000
Certificates of obligation issued	6,000,000	-	8,760,000	5,225,000
Premium on bonds issued	276,162	-	127,405	185,596
Payment to refunded bond escrow agent	(10,194,056)	-	(3,299,300)	(2,085,009)
Leases (as lessee)	95,953	-	-	-
Capital contribution	-	-	-	-
Sale of capital assets	-	-	-	30,798
Total other financing sources	6,223,059	734,024	9,658,980	6,738,375
Net change in fund balances	\$ 5,295,992	\$ (2,928,825)	\$ 9,219,575	\$ 3,712,621
Debt service as a percentage of noncapital expenditures	22.89%	23.06%	19.89%	17.20%

Fiscal Year						
	2018	2019	2020	2021	2022	2023
\$	11,337,170	\$ 11,838,643	\$ 14,184,459	\$ 15,117,110	\$ 15,799,299	\$ 19,313,447
	5,404,232	5,324,306	6,280,797	7,585,464	10,771,085	10,360,250
	1,647,872	1,494,793	1,640,222	1,694,133	1,933,079	2,037,382
	389,228	391,787	231,856	516,155	490,768	533,543
	46,153	52,512	49,051	77,564	76,540	93,764
	692,179	457,282	700,874	1,328,324	1,339,129	1,453,090
	592,443	426,638	332,410	250,972	245,954	261,276
	259,223	12,154,558	99,211,261	146,308,493	221,777,048	306,457,836
	146,149	391,289	257,103	153,933	93,741	345,584
	405,276	415,548	531,049	707,367	888,677	434,456
	2,213,233	1,093,469	3,663,633	5,034,089	2,861,285	1,468,417
	24,092	227,691	53,589	9,163	360,837	120,884
	<u>23,157,250</u>	<u>34,268,516</u>	<u>127,136,304</u>	<u>178,782,767</u>	<u>256,637,442</u>	<u>342,879,929</u>
	3,758,434	3,370,826	5,467,394	4,671,333	5,210,744	7,208,024
	11,268,840	10,977,766	11,899,996	11,902,107	12,756,836	15,356,891
	2,631,639	2,296,706	1,457,560	1,722,077	1,558,432	4,616,035
	519,089	14,247,239	103,361,741	145,087,384	218,194,521	298,854,798
	335,479	900,753	322,337	299,006	333,397	271,091
	1,454,924	1,541,631	1,679,559	1,526,782	1,795,397	2,038,779
	-	-	-	-	-	-
	339,063	324,467	510,564	545,770	624,213	666,705
	-	-	-	-	-	-
	6,733,013	13,889,614	14,631,755	6,848,019	8,645,719	9,525,846
	3,314,075	3,257,300	3,980,000	4,070,000	4,355,000	5,016,996
	841,789	1,129,696	2,201,711	2,747,984	2,513,451	3,535,822
	57,753	499,015	208,671	-	272,748	-
	<u>31,254,098</u>	<u>52,435,013</u>	<u>145,721,288</u>	<u>179,420,462</u>	<u>256,260,458</u>	<u>347,090,987</u>
	(8,096,848)	(18,166,497)	(18,584,984)	(637,695)	376,984	(4,211,058)
	2,057,056	16,769,899	8,593,209	5,589,700	4,959,115	4,199,122
	(2,154,626)	(15,699,434)	(6,076,650)	(5,419,539)	(2,140,331)	(3,485,047)
	-	-	-	-	-	-
	1,495,000	26,900,000	16,920,000	-	17,439,000	-
	63,325	1,604,227	3,278,833	-	1,056,362	-
	-	-	-	-	-	-
	-	-	-	-	254,046	295,123
	-	-	-	-	40,000	-
	151,593	14,800	48,318	-	91,427	9,202
	<u>1,612,348</u>	<u>29,589,492</u>	<u>22,763,710</u>	<u>170,161</u>	<u>21,699,619</u>	<u>1,018,400</u>
\$	<u>(6,484,500)</u>	<u>\$ 11,422,995</u>	<u>\$ 4,178,726</u>	<u>\$ (467,534)</u>	<u>\$ 22,076,603</u>	<u>\$ (3,192,658)</u>
	16.95%	11.38%	4.72%	3.95%	2.77%	2.53%

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

Fiscal Year Ended September 30	Estimated Actual Value		Less:	Total Taxable Assessed Value	Total Direct Rate
	Real Property	Personal Property	Tax-Exempt Real Property		
2014	1,143,218,632	563,332,312	294,789,804	1,411,761,140	0.69500
2015	1,147,947,475	544,574,734	282,434,339	1,410,087,870	0.69500
2016	1,175,090,290	598,711,617	288,761,727	1,485,040,180	0.66917
2017	1,197,278,670	636,795,500	279,113,745	1,554,960,425	0.69900
2018	1,273,620,820	603,809,367	296,237,653	1,581,192,534	0.71000
2019	1,355,650,141	617,022,962	317,159,911	1,655,513,192	0.71000
2020	1,620,978,908	682,277,579	350,565,657	1,952,690,830	0.72447
2021	1,866,473,853	643,308,452	450,110,193	2,059,672,112	0.72447
2022	2,010,414,674	625,763,056	454,789,026	2,181,388,704	0.72447
2023	2,653,310,300	739,057,842	639,075,888	2,753,292,254	0.69447

Source: City Administration Office

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

Fiscal Year	City of Ennis			Overlapping Rates		Total Direct and Overlapping Rates
	Operating / General Rate	General Obligation Debt Service	Total Direct	Ennis Independent School District	Ellis County	
2014	0.44871	0.24629	0.69500	1.54000	0.41360	2.64860
2015	0.42918	0.26582	0.69500	1.54000	0.41360	2.64860
2016	0.43989	0.22928	0.66917	1.54000	0.41360	2.62277
2017	0.45900	0.24000	0.69900	1.54000	0.41360	2.65260
2018	0.47000	0.24000	0.71000	1.53580	0.35971	2.60551
2019	0.47000	0.24000	0.71000	1.54000	0.33898	2.58898
2020	0.44987	0.27461	0.72447	1.48835	0.32956	2.54238
2021	0.44547	0.27900	0.72447	1.46990	0.35028	2.54465
2022	0.44547	0.27900	0.72447	1.46990	0.32019	2.51456
2023	0.42547	0.26900	0.69447	1.40290	0.27300	2.37037

Source: City Administration Office

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

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

Tax Payer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
CVS Texas Distribution LP	\$ 82,682,313	1	3.00%	\$ 61,777,180	2	4.38%
Ennis Power Company, LLC	69,566,400	2	2.53%	88,744,235	1	6.29%
Freshpet Inc	67,141,598	3	2.44%	-	-	-
Elk Corporation of Texas	59,114,426	4	2.15%	50,164,790	5	3.55%
Sterilite Corporation of Texas	57,716,199	5	2.10%	53,977,910	4	3.82%
Valent USA Corporation	55,333,656	6	2.01%	-	-	-
Ennis-Flint, Inc	46,127,846	7	1.68%	-	-	-
Legget Partners LP	38,914,076	8	1.41%	-	-	-
Spyglass Apartments of Ennis LP	33,329,003	9	1.21%	-	-	-
Atlas Sound LLC	30,026,702	10	1.09%	-	-	-
Ergon Asphalt & Emulsions	-	-	-	14,793,890	9	1.05%
JTEKT Automotive Texas LP	-	-	-	54,021,749	3	3.83%
Sterilite Industrial Realty LLC	-	-	-	20,735,920	6	1.47%
Leggett Partners LP #0003	-	-	-	19,855,650	7	1.41%
Walmart Rea Estate	-	-	-	17,274,550	8	1.22%
Dow Agrosiences LLC	-	-	-	14,574,300	10	1.03%
Total	\$ 539,952,219		19.61%	\$ 395,920,174		28.04%
Total valuation of City net of exempt property	<u>\$ 2,753,292,254</u>			<u>\$ 1,411,761,140</u>		

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

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2014	\$ 9,827,953	\$ 9,705,917	98.76%	\$ 117,743	\$ 9,823,660	99.96%
2015	9,809,002	9,693,244	98.82%	109,355	9,802,599	99.93%
2016	9,931,494	9,817,879	98.86%	101,624	9,919,503	99.88%
2017	10,881,653	10,779,321	99.06%	91,420	10,870,741	99.90%
2018	11,215,175	11,118,724	99.14%	84,810	11,203,535	99.90%
2019	11,754,144	11,637,327	99.01%	95,796	11,733,124	99.82%
2020	14,146,718	13,927,146	98.45%	84,827	14,011,973	99.05%
2021	14,956,587	14,744,645	98.58%	53,585	14,798,230	98.94%
2022	15,731,881	15,565,895	98.94%	80,598	15,646,493	99.46%
2023	19,518,413	18,993,343	97.31%	-	18,993,343	97.31%

Source: City Administration Office

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Tax rate limit	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000
Current tax rate	0.6950	0.6950	0.6692	0.6990	0.7100	0.7100	0.7245	0.7245	0.7245	0.6945
Available tax rate	\$ 1.8050	\$ 1.8050	\$ 1.8308	\$ 1.8010	\$ 1.7900	\$ 1.7900	\$ 1.7755	\$ 1.7755	\$ 1.7755	\$ 1.8055

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

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

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

Fiscal Year	Government Activities					Business-Type Activities			Total Outstanding Debt	Percentage of Personal Income ¹	Debt Per Capital ¹
	General Obligation Bonds	Certificates of Obligation	Notes Payable	Development Agreement Payable	Leases	General Obligation Bonds	Certificates of Obligation	Leases			
2014	\$ 17,271,780	\$ 9,930,000	\$ 159,549	\$ 17,936,076	\$ 835,515	\$ 11,015,017	\$ -	\$ -	\$ 57,147,937	14.73%	\$ 3,036
2015	15,429,447	8,665,000	136,755	17,391,183	646,388	9,498,448	-	46,999	51,814,220	13.07%	2,605
2016	15,610,885	14,705,000	-	16,846,290	459,908	8,094,837	4,720,000	9,482	60,446,402	13.46%	2,974
2017	13,749,514	18,825,000	-	16,301,397	351,591	6,604,737	7,005,000	-	62,837,239	13.97%	3,092
2018	11,678,166	19,170,000	-	15,756,504	252,517	5,083,677	12,450,000	-	64,390,864	13.07%	3,163
2019	11,259,922	44,810,000	-	15,211,611	170,217	3,494,606	12,130,000	-	87,076,356	17.38%	4,264
2020	12,428,437	59,720,000	-	14,666,718	-	2,774,541	16,475,000	-	106,064,696	21.00%	5,108
2021	10,505,432	57,275,000	-	14,171,735	-	1,815,271	15,615,000	-	99,382,438	16.97%	4,746
2022	5,994,991	75,631,667	-	13,576,752	276,792	-	30,740,203	136,660	126,357,065	21.58%	5,957
2023	2,795,000	73,508,401	-	13,031,769	534,919	-	29,256,795	124,189	119,251,073	16.56%	5,210

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

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

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

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable¹	Amounts Applicable to Primary Government
Debt repaid with property taxes: Ellis County	\$ 26,380,000	10.06%	\$ 2,653,828
Debt repaid with property taxes: School District	\$ 85,782,345	74.38%	<u>63,809,003</u>
Subtotal, overlapping debt			66,462,831
City of Ennis, Texas direct debt			<u>89,870,089</u>
Total direct and overlapping debt			<u><u>\$ 156,332,920</u></u>

Source: Texas Municipal Reports

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

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

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

Fiscal Year Ended September 30,	General Obligation Bonds	Certificates of Obligation	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value ¹ of Property	Per Capita ²
2014	\$ 17,271,780	\$ 9,930,000	\$ 417,928	\$ 26,783,852	2.68%	\$ 1,423
2015	15,429,447	8,665,000	636,046	23,458,401	2.34%	1,180
2016	15,610,885	14,705,000	834,307	29,481,578	2.53%	1,451
2017	13,749,514	18,825,000	966,622	31,607,892	2.46%	1,555
2018	11,678,166	19,170,000	694,244	30,153,922	2.23%	1,481
2019	11,259,922	44,810,000	723,532	55,346,390	3.55%	2,710
2020	12,428,437	59,720,000	803,308	71,345,129	4.64%	3,436
2021	10,505,432	57,275,000	36,182	67,744,250	4.14%	3,235
2022	5,994,991	75,631,667	105,597	81,521,061	3.74%	3,844
2023	2,795,000	73,508,401	161,217	76,142,184	2.77%	3,326

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

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

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

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

Fiscal Year	Waterworks and Sewer System Revenue Bonds					
	Total Revenues ¹	Less Operating Expenses ²	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 7,718,889	\$ 5,911,133	\$ 1,807,756	\$ 1,767,052	\$ 511,392	0.79
2015	8,177,569	5,245,884	2,931,685	1,504,573	399,667	1.54
2016	8,649,043	5,649,392	2,999,651	1,536,855	276,869	1.65
2017	9,371,511	5,528,336	3,843,175	1,545,654	301,801	2.08
2018	10,394,169	6,411,152	3,983,017	1,695,969	300,614	1.99
2019	10,432,409	5,980,676	4,451,733	1,885,000	371,705	1.97
2020	10,672,175	6,632,093	4,040,082	1,920,000	328,885	1.80
2021	11,263,892	6,305,142	4,958,750	1,750,000	489,530	2.21
2022	14,892,365	7,089,328	7,803,037	1,375,000	1,009,149	3.27
2023	15,601,315	7,792,894	7,808,421	1,335,000	988,467	3.36

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

¹ Includes operating and nonoperating revenues

² Includes operating expenses minus depreciation.

City of Ennis, Texas

Demographic and Economic Statistics

Last Ten Calendar Years

Fiscal Year	Estimated Population ¹	Personal Income	Per Capita Personal Income ²	Median Age ²	Public School Enrollment ³	Unemployment Rate ⁴
2014	18,823	\$ 379,603,441	\$ 20,167	34.5	5,675	5.6 %
2015	19,887	387,895,935	19,505	34.5	5,784	3.6
2016	20,324	396,419,620	19,505	34.4	5,829	3.6
2017	20,324	449,099,428	22,097	34.5	5,773	3.0
2018	20,357	449,828,629	22,097	33.1	5,797	3.3
2019	20,422	492,639,906	24,123	33.8	5,818	3.1
2020	20,764	500,893,349	24,123	33.7	5,939	7.3
2021	20,940	505,135,620	24,123	33.8	5,694	5.8
2022	21,210	585,502,050	27,605	34.0	6,012	2.3
2023	22,890	719,994,545	29,305	33.9	6,013	3.1

Sources:

¹ North Central Texas Council of Governments, 2010 Census, 2013 Census Bureau

² U.S. Census Bureau

³ Ennis Independent School District

⁴ DOL, Department of Commerce

* Median age only available when released in census years.

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

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Ennis Independent School District	778	1	6.44%	750	1	9.18%
Sterilite Corporation of Texas	650	2	5.38%	650	2	7.95%
Leggett Partners LP	350	3	2.90%	189	8	2.31%
GAF	290	4	2.40%	220	7	0.00%
Walmart	250	5	2.07%	250	4	3.06%
CVS Texas Distribution LP	268	6	2.22%	222	6	2.72%
Freshpet Inc.	300	7	2.48%	-		0.00%
Schirm USA, Inc.	212	8	1.75%	-		0.00%
Ennis Extruded Products	150	9	1.24%	125	10	0.00%
Advanced Drainage Systems Inc.	125	10	1.03%	-		0.00%
National Envelope Corporation	-		0.00%	325	3	3.98%
JTEKT of Texas, Inc.	-		0.00%	233	5	2.85%
Ennis Paint, Inc.	80		0.00%	184	9	2.25%
Total	3,453		38.86%	3,148		38.51%

Source: City Administration Office

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

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Administration	12.5	12.2	12.2	17.2	16.7	16.9	14.4	16.3	18.0	29.5
Tourism	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Public Safety										
Police	43.5	43.5	44.2	46.2	47.3	49.1	50.1	44.9	51.0	58.0
Judicial	2.0	2.0	2.0	4.5	3.8	3.8	3.8	3.8	3.0	4.0
Fire	30.0	30.0	30.0	30.0	41.5	43.5	41.1	42.8	41.0	43.0
Inspection	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.1	6.5	8.0
Streets	13.0	13.0	11.0	8.0	10.3	10.0	8.4	8.2	9.0	11.0
Health	3.0	3.0	3.0	4.0	5.1	5.1	5.1	4.8	5.0	6.0
Equipment Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Cultural and Recreational										
Parks and Recreation	8.0	8.0	8.0	6.4	6.8	7.1	8.5	9.4	9.0	11.0
Library	6.0	5.6	5.6	5.6	5.6	5.6	5.4	5.5	5.5	5.5
Museum	1.0	1.0	1.0	1.1	0.7	0.8	0.7	0.7	1.0	1.0
Public Works	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.5	2.0	2.0
Sanitation Services	15.0	15.0	15.0	15.0	15.3	14.7	12.1	11.0	11.0	14.0
Water and Wastewater										
Administration	5.0	5.0	5.0	5.0	4.9	5.1	4.0	4.2	4.0	6.0
Water	18.0	18.0	18.0	19.0	17.6	16.7	16.1	15.3	15.0	16.0
Wastewater	15.0	15.0	15.0	15.0	16.3	16.8	17.8	16.8	19.0	16.0
Total	<u>184.5</u>	<u>183.3</u>	<u>182.0</u>	<u>189.0</u>	<u>204.0</u>	<u>207.3</u>	<u>199.4</u>	<u>196.3</u>	<u>205.0</u>	<u>237.0</u>

Source: City Administration Office

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

Function	Fiscal Year			
	2014	2015	2016	2017
Police				
UCR – Reported Crimes	860	868	770	687
Number of Violations (Citations)	9,083	7,539	6,670	5,192
Judicial				
Municipal Court Fines	\$ 500,672	\$ 451,022	\$ 566,512	\$ 496,376
Fire				
Fire Calls	14	994	114	108
First Response (Ambulance Assist.)	-	1,587	1,842	1,679
Fire Loss	\$ 20,500	\$ 39,500	\$ 280,000	\$ 590,735
Inspection				
Permits Issued (Units)	35	36	52	79
Permit Value	\$ 9,260,747	\$ 9,582,310	\$ 14,940,779	\$ 42,960,978
Streets				
Miles of Streets Maintained	103.67	103.67	103.67	103.67
Health				
Food Establishment Inspections	377	213	235	290
Animals Impounded	979	783	713	723
Equipment Services				
Equipment Maintained	276	582	565	278
Cultural and Recreational				
Parks				
Parks Maintained	12	12	12	17
Library				
Patrons	80,160	78,079	71,360	60,566
Circulation	73,482	74,621	73,612	65,767
Museum				
Paid Attendance	826	638	595	481
Sanitation Service				
Refuse Customers	5,156	5,208	5,271	5,165
Estimated Refuse Collected (in tons)	8,398	8,356	8,418	8,249
Water				
Number of Water Customers	5,754	5,868	5,944	5,919
Estimated Gallons Billed (in thousands)	943,507	881,881	1,008,824	889,840
Sewer				
Number of Wastewater Customers	5,488	5,548	5,613	5,500

Source: Various City Departments

Fiscal Year					
2018	2019	2020	2021	2022	2023
775	701	736	893	984	767
3,570	3,166	2,929	1,236	1,771	1,397
\$ 527,036	\$ 378,279	\$ 275,906	\$ 250,972	\$ 241,603	\$ 236,174
981	1,256	1,197	784	1,284	1,380
1,182	1,565	1,614	2,054	2,053	2,118
\$ 196,000	\$ 72,200	\$ 350,000	\$ 520,300	\$ 195,000	\$ 85,000
889	743	714	903	1,540	1,034
\$ 106,407,201	\$ 79,312,350	\$ 189,043,510	\$ 105,898,603	\$ 1,293,823,384	\$ 289,924,499
119.05	120.54	120.93	124.01	124.01	125.69
137	144	159	143	153	158
524	806	272	253	350	328
170	171	176	190	195	240
19	19	19	19	19	22
61,906	60,546	36,049	38,020	42,432	35,302
68,106	65,623	54,925	57,939	43,209	41,275
635	785	294	538	554	590
5,330	5,384	5,762	6,250	6,486	7,076
8,754	8,985	9,735	10,148	10,771	11,015
6,108	6,245	6,564	7,044	7,134	7,307
951,188	914,218	947,640	972,904	1,048,653	1,071,698
5,547	5,641	6,045	6,228	6,432	6,709

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

Function	Fiscal Year			
	2014	2015	2016	2017
Police				
Number of Stations	1	1	1	1
Fire				
Number of Stations	2	2	2	2
Fire Hydrants	1,048	1,048	1,048	1,050
Streets				
Miles of Streets	103.67	103.67	103.67	103.67
Equipment Services				
Equipment Maintained	276	582	565	278
Cultural and Recreational				
Parks Maintained	12	12	12	17
Library				
Number of Libraries	1	1	1	1
Museum				
Number of Museums	1	1	1	1
Water				
Water Plant Capacity (million gallons per day)	12.00	12.00	12.00	12.00
TCEQ Worst-Case Capacity (million gallons per day)	9.10	9.10	9.10	9.10
Water Storage Capacity (million gallons)	3.50	3.50	3.50	3.50
Sewer				
Sewer Plant Capacity (million gallons per day)	3.10	3.10	3.10	3.10

Sources: Various city departments

Fiscal Year						
2018	2019	2020	2021	2022	2023	
1	1	1	1	1	1	1
3	3	3	3	3	3	3
1,055	1,064	1,064	1,184	1,184	1,198	
119.05	120.54	120.93	124.01	124.01	125.69	
170	171	176	190	195	240	
19	19	19	19	19	22	
1	1	1	1	1	1	
1	1	1	1	1	1	
12.00	12.00	12.00	12.00	12.00	12.00	12.00
9.10	9.10	9.10	9.10	9.10	9.10	9.10
3.50	3.50	3.50	3.50	3.50	3.50	3.50
3.10	3.10	3.10	3.10	3.10	3.10	3.10

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