



2024 ACFR  
For Year Ended September 30

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**Annual  
Comprehensive  
Financial Report**

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**HEWITT**  
TEXAS



# **CITY OF HEWITT, TEXAS**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2024**

**Prepared by:**

**Department of Finance**

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# CITY OF HEWITT, TEXAS

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

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## **INTRODUCTORY SECTION**

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# HEWITT

TEXAS

March 17, 2025

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Hewitt, Texas:

State law and the City Charter require that every municipality publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill those requirements for the fiscal year ending September 30, 2024.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been 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.

Pattillo, Brown & Hill, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Hewitt's financial statements for the year ended September 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) follows the independent auditor's 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 government*

The City of Hewitt originated in 1893 and was incorporated in 1960. It is located in the Heart of Texas Region in the central part of Texas just 2 hours south of Dallas and 2 hours north of Austin on Interstate 35. As the southern suburb of Waco, Hewitt enjoys being the second largest city in McLennan County with 7 square miles along I-35 and serving a population just under 17,000.

The City of Hewitt operates under a Council-Manager form of government. Policy-making and legislative authority are vested in the governing body (City Council) consisting of the Mayor and six other members. Council members, including the Mayor, serve two-year terms, with three members elected by ward and one at-large, on a non-partisan basis every two years. The Mayor is chosen from among and by the City Council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, and hiring the City's Manager, Attorney, and Municipal Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the city government, and appointing the heads of departments.

The City provides a full range of services, including police and fire protection, refuse collection, building inspections, licenses and permits, construction, and maintenance of

streets, water, wastewater, and stormwater infrastructure, library services, recreational and cultural activities. Residents enjoy affordable homes, quiet, safe neighborhoods, as well as exceptional school resources, and community spirit. The City also welcomes businesses.

The City Manager is required by City Charter to propose an initial budget for the fiscal year no later than August 1<sup>st</sup> preceding the beginning of the fiscal year on October 1<sup>st</sup>. This annual budget serves as the foundation for the City of Hewitt's financial planning and control. The budget is prepared by fund, functions (e.g., public safety), and departments (e.g., police). The operating budget includes proposed expenditures and the means of financing them. A public hearing on the budget and two public hearings on the proposed tax rate are held prior to the meeting to adopt the budget before September 30<sup>th</sup>. The proposed budget is adopted through the passage of an ordinance. An annual budget legally adopts all city funds including Operating, Special, and Capital Projects funds.

### *Local Economy*

The City of Hewitt is a city of choice in McLennan County. People are choosing to live, work, and open businesses in Hewitt. Hewitt remains one of the most sought-after places to live in the nation. The City has received accolades for being affordable, safe, and an all-around great place to live.

Hewitt has customarily been known as a bedroom community with residential valuations making up approximately 67% of the total assessed property value. Although Hewitt is landlocked and unable to annex additional territory, Hewitt has ample land available for residential development and new commercial investment. Current projections indicate a total build-out population of approximately 20,000 residents within the next 5 to 10 years.

Part of Hewitt's desirability has to do with quick access to the I-35 corridor and proximity to several regional amenities. Hewitt continues to grow and enjoys a reputation as a highly desirable place to live due to the quality of life available for all residents to enjoy. The quality of education offered by Midway ISD is also a contributing factor to local growth and overall good reputation. Proximity to secondary education (Baylor University, McLennan Community College, and Texas State Technical College) and local attractions contribute to the overall desirability of Hewitt.

The year 2018 was pivotal in the history of Hewitt. In January, Walmart opened doors to the public and began operations in Hewitt's Commerce Park. This was much anticipated due to new jobs and shopping opportunities. Moreover, the store has created new interest from other developers. Cracker Barrel restaurant is now open and generating additional sales tax dollars. It is anticipated that other retailers will likewise choose Hewitt and subsequent investment, jobs, and tax revenue will follow. Improving sales tax revenue has become a priority of the City Council; so much so, the Council has opened economic development incentives for retail development. Those incentives have now helped Hewitt attract an Atwood's Farm and Ranch store adjacent to the Walmart in Commerce Park and Rosa's Café and Cantina at the intersection of Panther Way and Hewitt Drive.

In addition to the above referenced developments, Kirby Smith Machinery Inc. is building a new full service sales, leasing and repair location. Starbucks has opened in Commerce Park along with Basin Rock Climbing venue. Discount Tire has begun construction in Commerce Park next to Starbucks and HTeaO has opened a beverage retail outlet on Hewitt Drive.

In 2024 (tax roll year 2023), new property added to the tax roll at market value was \$54 million, \$44 million of which was taxable. This increase included \$43 million in new single-family homes and \$7.5 million in commercial property. Total certified taxable value increased from \$1.301 billion for fiscal year 2022-2023 to \$1.474 billion for fiscal year 2023-2024, an increase of \$173 million or 13.3%. The average market value of 3,553 residences is \$321,428 before exemptions and \$215,268 after exemptions. The value of a single-family home, according to permits issued in 2024, is \$378,273.

In addition to commercial development, Hewitt continues to experience solid growth in residential housing. Subdivisions like Moonlight Park and Sunflower Ridge offer several new home lots currently in various stages of development. The Icon at Hewitt offers 256 luxury one and two-bedroom units. Plus, the Reserve at Dry Creek provides 118 apartment units for residents 55 and over at an affordable monthly rate. Hewitt and the greater Waco area are expected to experience continual growth in population as well as taxable value. New single family developments have begun in Bullhide Estates with 158 single family units and a new multi family development, the 232 unit Platinum Estates.

Looking beyond 2024 there is much to look forward to in the greater Hewitt area. Land values are increasing, and people are moving to Hewitt. Just outside the city limits, several hundred residential lots are in development right now. While these will be Waco residents, they will drive on Hewitt streets, and go to local stores, and new jobs will be created in the immediate area.

This rapid growth will create new opportunities for intergovernmental projects, as evidenced by the reconstruction of Ritchie Road, which initially was a joint partnership between the City of Hewitt, the City of Waco, and McLennan County. This multi-million-dollar project exemplifies the spirit of cooperation and level of investment by local governmental units. On Ritchie Road, within the city of Hewitt, Midway ISD has added Park Hill Elementary, the 4<sup>th</sup> elementary school and 6<sup>th</sup> school within Hewitt city limits. In addition, the City is near completion of the Commerce Park Water Plant including an additional well, water storage, and plant to provide water for future growth.

Because of its location in a region with a varied economic base, unemployment has been relatively stable. The unemployment rate as of September 2024 was 3.4%. The median household income in the City of Hewitt is \$83,798, while the state's was \$76,292. The population has increased from 11,084 in 2000 to 16,897 in 2024. Due to the strong and healthy local economy, the City of Hewitt has received an increase in its credit rating from AA- to AA from Standard and Poor.

### *Long-term financial planning and major initiatives*

Unrestricted fund balance in the General Fund at year-end is \$12,171,367 or 82% of total General Fund expenditures. This amount is more than the 90 day reserve of \$3,040,575 set by Council for budgetary and planning purposes (i.e. 90 days of General Fund budgeted expenditures, excluding debt service and capital outlay). The Council also approved a 90-day reserve for debt service of \$744,411. The balance available for General Fund debt service at year-end was \$1,045,343.

Unrestricted fund balance in the Utility Fund at year-end is \$1,508,881 or 17.3% of total Utility Fund expenses less depreciation. Actual 90-day reserve of \$1,512,602 is more than the 90-day reserve of \$1,511,968 set by Council for budgetary and planning purposes (i.e. 90 days of Utility Fund budgeted expenses, excluding debt service and capital outlay). The Council also approved a 90-day reserve for debt service of \$555,487. The balance available for Utility Fund debt service at year-end was \$1,024,149.

The City Council maintains an active five-year Capital Improvements Plan (CIP) which serves as its planning document to ensure that streets, parks, facilities, water, and wastewater infrastructure are well maintained and operating in peak condition. In addition, staff present their departmental Five-Year Strategic Plans, which is an important part of the CIP plan.

The CIP is used to identify needs and then prioritize projects based on staff recommendations and Council direction. A key component of this plan is to project cost estimates which are updated during the year and used during budget discussions and financial planning. The plan is intended to list projects that will maintain, update, and improve city facilities and infrastructure in a variety of areas; as well as, identify possible funding sources. As part of this process, the government identifies and quantifies the operational costs associated with its capital projects and budgets resources accordingly. Under the guidance of the City Council, this process gives the City of Hewitt the ability to plan for its capital needs and allocate short-and long-term resources appropriately.

### *Relevant financial policies*

The City of Hewitt has adopted a comprehensive set of financial policies, including a policy, according to the charter which had a successful voter-approved revision, that requires the adoption of a balanced annual operating budget (i.e., estimated revenues equal to or greater than estimated expenditures). Also, as discussed above, the city maintains a 90-day reserve of general fund expenditures, not including debt service and capital outlay. A separate 90-day reserve for debt service is also maintained. In addition, these reserves, operating and debt service, are also maintained in the utility fund.

### *Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hewitt, Texas, for its annual comprehensive financial report (ACFR) for the fiscal year ending September 30, 2023. This was the 21st consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current annual comprehensive financial report (ACFR) continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City of Hewitt also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year 2023-2024. Hewitt has received this Award for 20 years. To qualify for the Distinguished Budget Presentation Award, the government's budget document has to be judged as proficient as a policy document, a financial plan, an operations guide, and a communications device.

A sincere thanks is extended to all government departments for their assistance in providing the data necessary to prepare this report.

In closing, without the leadership and support of the governing body of the City of Hewitt, the Hewitt City Council, the preparation of this report would not have been possible.

Respectfully submitted,

A blue ink signature of Everett "Bo" Thomas, which appears to read "Bo Thomas" with a stylized "Bo".

Everett "Bo" Thomas, ICMA-CM  
City Manager

A blue ink signature of Lee H. Garcia, which appears to read "Lee H. Garcia".

Lee H. Garcia, CPA, CGFO  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Hewitt Texas**

For its Annual Comprehensive Financial  
Report  
For the Fiscal Year Ended

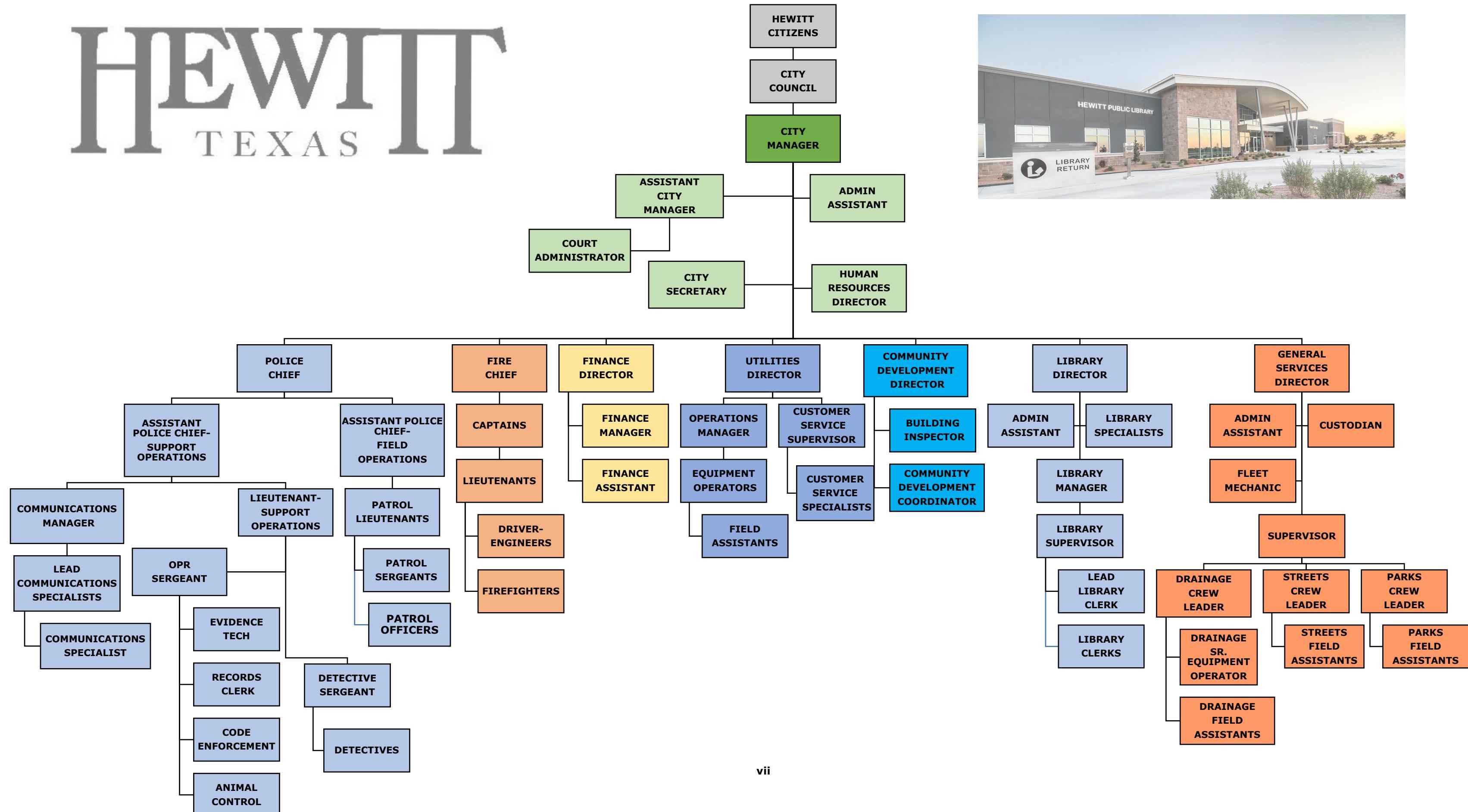
September 30, 2023

*Christopher P. Monell*

Executive Director/CEO

# HEWITT

TEXAS



**CITY OF HEWITT, TEXAS**

**LIST OF ELECTED AND APPOINTED OFFICIALS**

SEPTEMBER 30, 2024

<b>Elected Officials</b>	<b>Position</b>
Steve Fortenberry	Mayor
Dr. Erica Bruce	Mayor Pro-Tem
Michael Bancale	Council Member
Bob Potter	Council Member
Vacant	Council Member
Johnny Stephens	Council Member
Brad Turner	Council Member
<b>Appointed Officials</b>	<b>Position</b>
Everett "Bo" Thomas, ICMA-CM	City Manager
Lydia Lopez, TRMC, CMC	City Secretary
James Devlin	Assistant City Manager
Lee H. Garcia, CPA, CGFO	Finance Director
John McGrath	Police Chief
Jonathan Christian, CFE, FSCEO	Fire Chief
Tracy Lankford	Community Development Director
Kevin Reinke	Utilities Director
Matthew Glaser, MLS	Library Director
Scott Coleman	General Service Director
Jessica Higgins, MSHRM, IPMA-CP	Human Resources/Civil Service

## **FINANCIAL SECTION**

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hewitt, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Hewitt, Texas' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hewitt, Texas, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Emphasis of Matter – Accounting Change***

As described in the notes to the financial statements, in fiscal year 2024, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. Our opinion is not modified with respect to this matter.

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

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

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

**OFFICE LOCATIONS**

**TEXAS** | Waco | Temple | Hillsboro | Houston  
**NEW MEXICO** | Albuquerque

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Hewitt, Texas' 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 of Hewitt, Texas' 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, budgetary comparison information, and pension and OPEB information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 of Hewitt, Texas' basic financial statements. The budgetary 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 budgetary schedules and discretely presented component unit fund statements, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information included in the Annual Comprehensive Financial Report***

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2025 on our consideration of the City of Hewitt, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Hewitt, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hewitt, Texas' internal control over financial reporting and compliance.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
March 17, 2025

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

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Hewitt, Texas (the "City"), we offer readers of the City financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded the liabilities and deferred inflows of resources at the close of the fiscal year by \$28,535,912. Of this amount, \$14,851,405 represents net investment in capital assets. Additionally, the City is reporting restricted net position of \$3,155,756 and \$10,528,751 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$5,280,935. A major contributing factor in this increase is attributable to an increase in sales tax and interest revenues in the governmental activities and an increase in interest revenues in the business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$22,866,770, an increase of \$545,493 in comparison with the prior year. Approximately 53% of this total, or \$12,171,367 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 \$12,171,367 or 82% percent of total General Fund expenditures for the fiscal year.
- The City's total long-term liabilities increased by \$1,053,097 (3%) during the current fiscal year due to the issuance of certificates of obligation in the amount of \$2,995,000, a premium on issuance of \$136,995, and an increase in the net pension liability.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Hewitt'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) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Hewitt.

#### Basic Financial Statements

The first two statements in the basic financial statements are the *government-wide financial statements*. They provide both short and long-term information about the City's financial status.

The next statements are *fund financial statements*. These statements focus on the activities of the individual parts of city government. These statements provide more detail than the government-wide statements. There are two parts to the fund financial statements: 1) the governmental funds statements; and 2) the proprietary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the City's individual funds. Budgetary information can be found in the required supplementary section of the report.

#### Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how they have changed. Net position is the difference between the City's total assets, deferred outflows/inflows of resources and total liabilities. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities encompass most of the City's basic services such as public safety, street, culture and recreation, and general administration. Property taxes, sales taxes and franchise fees finance most of these activities. The business-type activities are those in which the City charges customers to provide services. These include the water, sewer, and sanitation operations as well as stormwater drainage.

## **Fund Financial Statements**

The fund financial statements (see Figure 1) provide a more detailed look at the City's most significant activities. 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 all other governmental entities, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the general statutes or the City's budget ordinance. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental 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 evaluating 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 five 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 and the Capital Projects funds, which are considered to be major funds. Data from the other 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 elsewhere in this report.

**Proprietary Funds.** The City has one type of proprietary fund. The Enterprise Funds are used to report the same programs presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its water, sewer, and sanitation operations and its stormwater drainage operations. The proprietary fund statements provide the same type of information as the government wide financial statements, only in more detail.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information (RSI) which contains information about the City's pension plans and other post-employment benefits plan. Schedules comparing actual results with the original budget and the final amended budget for the City's General Fund are also presented in the RSI section.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

**City of Hewitt Net Position**  
**Figure 1**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 23,242,344	\$ 22,657,208	\$ 16,579,576	\$ 15,164,010	\$ 39,821,920	\$ 37,821,218
Capital assets	28,295,267	28,192,377	15,665,315	14,861,402	43,960,582	43,053,779
Total assets	<u>51,537,611</u>	<u>50,849,585</u>	<u>32,244,891</u>	<u>30,025,412</u>	<u>83,782,502</u>	<u>80,874,997</u>
Deferred outflows of resources	2,094,970	3,008,640	469,785	630,118	2,564,755	3,638,758
Current and other liabilities	396,679	383,054	2,174,320	4,551,750	2,570,999	4,934,804
Long-term liabilities	32,841,692	35,446,554	22,155,977	20,604,212	54,997,669	56,050,766
Total liabilities	<u>33,238,371</u>	<u>35,829,608</u>	<u>24,330,297</u>	<u>25,155,962</u>	<u>57,568,668</u>	<u>60,985,570</u>
Deferred inflows of resources	223,895	250,934	18,782	22,274	242,677	273,208
Net position:						
Net investment						
in capital assets	9,658,490	9,078,350	5,192,915	2,324,110	14,851,405	11,402,460
Restricted	2,131,607	1,803,573	1,024,149	1,579,641	3,155,756	3,383,214
Unrestricted	<u>8,380,218</u>	<u>6,895,760</u>	<u>2,148,533</u>	<u>1,573,543</u>	<u>10,528,751</u>	<u>8,469,303</u>
Total net position	<u>\$ 20,170,315</u>	<u>\$ 17,777,683</u>	<u>\$ 8,365,597</u>	<u>\$ 5,477,294</u>	<u>\$ 28,535,912</u>	<u>\$ 23,254,977</u>

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred inflows of the City of Hewitt exceeded liabilities and deferred outflows by \$28,535,912 as of September 30, 2024. The City's net position increased by \$5,280,935 for the fiscal year ended September 30, 2024. Net investment in capital assets of \$14,851,405 accounts for the greatest portion (52%) of net position.

An additional portion of the City's net position (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$10,528,751 is unrestricted and may be used to meet the government's ongoing obligations.

Several particular aspects of the City's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99%.
- City sales tax revenues that mirrored, and at times, exceeded, those of the surrounding cities, the State of Texas and national economic trends.

**City of Hewitt Changes in Net Position**  
**Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 613,477	\$ 617,872	\$ 10,209,536	\$ 10,070,181	\$ 10,823,013	\$ 10,688,053
Operating grants and contributions	299,653	223,441	2,606,951	-	2,906,604	223,441
Capital grants and contributions	-	2,800,000	-	2,586,317	-	5,386,317
General revenues:						
Property taxes	7,963,951	6,942,883	-	-	7,963,951	6,942,883
Sales taxes	4,816,835	4,377,727	-	-	4,816,835	4,377,727
Franchise taxes	964,746	983,902	-	-	964,746	983,902
Hotel occupancy taxes	196,725	180,255	-	-	196,725	180,255
Investment earnings and other general revenues	<u>1,398,122</u>	<u>806,649</u>	<u>749,188</u>	<u>520,993</u>	<u>2,147,310</u>	<u>1,327,642</u>
Total revenues	<u>16,253,509</u>	<u>16,932,729</u>	<u>13,565,675</u>	<u>13,177,491</u>	<u>29,819,184</u>	<u>30,110,220</u>
<b>Expenses:</b>						
General government	2,281,589	2,120,349	-	-	2,281,589	2,120,349
Public safety	8,060,986	7,536,133	-	-	8,060,986	7,536,133
Streets	2,547,498	2,362,736	-	-	2,547,498	2,362,736
Culture and recreation	1,028,698	1,010,636	-	-	1,028,698	1,010,636
Interest on long-term debt	942,106	951,119	-	-	942,106	951,119
Water, sewer, and sanitation	-	-	9,229,451	8,789,862	9,229,451	8,789,862
ARPA	-	-	-	261,317	-	261,317
Stormwater drainage	-	-	<u>447,921</u>	<u>442,020</u>	<u>447,921</u>	<u>442,020</u>
Total expenses	<u>14,860,877</u>	<u>13,980,973</u>	<u>9,677,372</u>	<u>9,493,199</u>	<u>24,538,249</u>	<u>23,474,172</u>
Increase (decrease) in net position before transfers	1,392,632	2,951,756	3,888,303	3,684,292	5,280,935	6,636,048
Transfers	<u>1,000,000</u>	<u>955,000</u>	<u>(1,000,000)</u>	<u>(955,000)</u>	<u>-</u>	<u>-</u>
Change in net position	2,392,632	3,906,756	2,888,303	2,729,292	5,280,935	6,636,048
Net position, beginning	<u>17,777,683</u>	<u>13,870,927</u>	<u>5,477,294</u>	<u>2,748,002</u>	<u>23,254,977</u>	<u>16,618,929</u>
Net position, ending	<u>\$ 20,170,315</u>	<u>\$ 17,777,683</u>	<u>\$ 8,365,597</u>	<u>\$ 5,477,294</u>	<u>\$ 28,535,912</u>	<u>\$ 23,254,977</u>

**Governmental Activities.** Governmental activities increased the City's net position by \$2,392,632. Key elements of this increase include an increase in sales tax and interest revenue, slightly offset by increases in expenses in public safety and streets.

**Business-type Activities.** Business-type activities increased the City's net position by \$2,888,303. Charges for services increased \$139,355 due to rate increases in water, sewer and solid waste. Interest revenue increased by \$228,195. Expenses increased by 27.9% due to the combination of increases in personnel, water contracts and wastewater expenses.

#### Financial Analysis of the City's 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 usable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

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 \$12,171,367, with a total fund balance of \$13,216,710. 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 fund expenditures. Unassigned fund balance represents 82% of total General Fund expenditures. Total fund balance represents 89% of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$1,829,168 during the current fiscal year. This was a result of increases in revenue in every category. The City has experienced strong economic growth in the past few years, which has driven increases in sales tax and property tax revenues.

**Proprietary Fund.** The City's Utility Fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Utility Fund at the end of the year amounted to \$1,508,881. The total increase in net position was \$2,765,163. Other factors concerning the finances of the Utility Fund have already been addressed in the discussion of the City's business-type activities.

### General Fund Budgetary Highlights.

During the fiscal year, the City did not make budget amendments. If budget amendments are needed, they generally fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The City of Hewitt's investment in capital assets for its governmental and business-type activities as of September 30, 2024, totals \$43,960,582 (net of accumulated depreciation). These assets include land, buildings and improvements, distribution and collection systems, machinery and equipment, and construction in progress.

**City of Hewitt Capital Assets**  
**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,405,058	\$ 2,405,058	\$ 554,444	\$ 554,444	\$ 2,959,502	\$ 2,959,502
Buildings and improvements	11,111,964	10,982,164	1,028,526	1,028,526	12,140,490	12,010,690
Distribution and collection systems	-	-	48,035,996	48,035,996	48,035,996	48,035,996
Machinery and equipment	8,085,776	7,645,953	3,041,437	2,989,949	11,127,213	10,635,902
Infrastructure	50,835,046	49,113,249	-	-	50,835,046	49,113,249
Construction in progress	292,309	366,967	3,110,989	-	3,403,298	366,967
Accumulated depreciation	(44,434,886)	(42,321,014)	(40,106,077)	(37,747,513)	(84,540,963)	(80,068,527)
Total	<u>\$ 28,295,267</u>	<u>\$ 28,192,377</u>	<u>\$ 15,665,315</u>	<u>\$ 14,861,402</u>	<u>\$ 43,960,582</u>	<u>\$ 43,053,779</u>

Major capital asset events during the year included the following:

- Patrol Chevy Tahoes (6), \$453,893.
- Skid Unit for Fire Department, \$15,650.
- City Wide Server, \$38,359.
- Community Development Software, \$14,960.
- 2024 Continental Cargo Trailer, \$11,284.
- Warren Park Improvements, \$117,522.
- Automatic Doors for City Hall, \$12,277.
- City Wide Siren upgrades, \$172,183.
- 2024 Ford F150 for Utility Maintenance, \$51,487.
- Utility Water Meter MIU replace program (multi-year) \$57,951.
- Micro Slurry Seal, 124,348.
- Ongoing Commerce Park-Phase 1 Water Plant, \$2,606,951.
- Ongoing Commerce Park-Phase 2 Water Plant, \$646,641.
- Ongoing East Warren Utility Improvements, \$87,910.
- Completion of Chapman/Crescent/Boleman street improvement, \$1721,797.
- Ongoing Fire Station #2, \$204,399.

Additional information on the City's capital asset activity is presented in the notes to the financial statements on pages 43 - 44.

**Long-term Bonded Debt.** As of September 30, 2024, the City of Hewitt had total long-term bonded debt outstanding of \$46,520,000. This debt is backed by the full faith and credit of the City.

**City of Hewitt Outstanding Debt**  
**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Certificates of obligation	\$ 25,644,115	\$ 27,116,910	\$ 16,690,885	\$ 14,263,090	\$ 42,335,000	\$ 41,380,000
Refunding general obligation bonds	-	302,100	4,185,000	4,892,900	4,185,000	5,195,000
Premium on bonds	879,622	939,453	551,263	463,006	1,430,885	1,402,459
Financing arrangements	676,836	769,781	124,057	256,997	800,893	1,026,778
Compensated absences	<u>871,576</u>	<u>752,709</u>	<u>87,372</u>	<u>80,467</u>	<u>958,948</u>	<u>833,176</u>
Total	<u>\$ 28,072,149</u>	<u>\$ 29,880,953</u>	<u>\$ 21,638,577</u>	<u>\$ 19,956,460</u>	<u>\$ 49,710,726</u>	<u>\$ 49,837,413</u>

The City's total debt decreased by \$126,687 (0.3%) during the current fiscal year. The key factor in this decrease was the issuance of the 2024 certificate of obligation for \$2,995,000.

Additional information regarding the City of Hewitt's long-term debt can be found in the notes to the financial statements on pages 27 - 30.

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

At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,171,367. The City has not appropriated any of this amount for spending in the 2025 fiscal year budget. The 2025 fiscal year budget is \$15 million, the General Fund is a balanced budget. The water and wastewater rates were increased by approximately 3.1% and 3.4% effective December 1, 2024. There were no changes to the drainage rates for the 2025 fiscal year.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Hewitt's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, at the City of Hewitt, 200 Patriot Court, Hewitt, TX 76643.

**BASIC  
FINANCIAL STATEMENTS**

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**CITY OF HEWITT, TEXAS**

**STATEMENT OF NET POSITION**

SEPTEMBER 30, 2024

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 22,052,631	\$ 13,717,407	\$ 35,770,038
Accounts receivables, net	1,189,713	1,838,020	3,027,733
Restricted cash and investments	-	1,024,149	1,024,149
Capital assets:			
Non-depreciable	2,697,367	3,665,433	6,362,800
Depreciable, net	<u>25,597,900</u>	<u>11,999,882</u>	<u>37,597,782</u>
Total assets	<u>51,537,611</u>	<u>32,244,891</u>	<u>83,782,502</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred charge on refunding	-	233,258	233,258
Deferred outflow related to OPEB	3,480	-	3,480
Deferred outflow related to pensions	<u>2,091,490</u>	<u>236,527</u>	<u>2,328,017</u>
Total deferred outflow of resources	<u>2,094,970</u>	<u>469,785</u>	<u>2,564,755</u>
<b>LIABILITIES</b>			
Accounts payable	12,558	664,499	677,057
Accrued liabilities	148,579	16,763	165,342
Accrued interest	235,542	214,814	450,356
Unearned revenue	-	764,511	764,511
Customer deposits	-	513,733	513,733
Noncurrent liabilities:			
Due within one year:			
Long-term debt	2,206,644	1,453,069	3,659,713
Total OPEB liability	<u>3,465</u>	-	<u>3,465</u>
Due in more than one year:			
Long-term debt	25,865,505	20,185,508	46,051,013
Net pension liability	4,575,119	517,400	5,092,519
Total OPEB liability	<u>190,959</u>	-	<u>190,959</u>
Total liabilities	<u>33,238,371</u>	<u>24,330,297</u>	<u>57,568,668</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflow related to pensions	166,079	18,782	184,861
Deferred outflow related to OPEB	<u>57,816</u>	-	<u>57,816</u>
Total deferred inflow of resources	<u>223,895</u>	<u>18,782</u>	<u>242,677</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,658,490	5,192,915	14,851,405
Restricted for:			
Debt service	1,045,343	1,024,149	2,069,492
Municipal information	536,329	-	536,329
Tourism	367,803	-	367,803
Public safety	182,132	-	182,132
Unrestricted	<u>8,380,218</u>	<u>2,148,533</u>	<u>10,528,751</u>
Total net position	<u>\$ 20,170,315</u>	<u>\$ 8,365,597</u>	<u>\$ 28,535,912</u>

**CITY OF HEWITT, TEXAS**

**STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
<b>Primary government:</b>			
<b>Governmental activities:</b>			
General government	\$ 2,281,589	\$ 136,525	\$ -
Public safety	8,060,986	436,410	273,191
Streets	2,547,498	-	-
Culture and recreation	1,028,698	40,542	26,462
Interest and fiscal charges	942,106	-	-
Total governmental activities	<u>14,860,877</u>	<u>613,477</u>	<u>299,653</u>
<b>Business-type activities:</b>			
Water, sewer, and sanitation	9,229,451	9,666,404	2,606,951
Stormwater drainage	447,921	543,132	-
Total business-type activities	<u>9,677,372</u>	<u>10,209,536</u>	<u>2,606,951</u>
<b>Total primary government</b>	<u>\$ 24,538,249</u>	<u>\$ 10,823,013</u>	<u>\$ 2,906,604</u>
General revenues:			
Property taxes, levied for general purposes			
Property taxes, levied for debt service			
Sales taxes			
Franchise taxes			
Hotel occupancy tax			
Investment earnings			
Miscellaneous			
Gain on sale of capital assets			
Transfers			
Total general revenues and transfers			
Change in net position			
Net position, beginning			
Net position, ending			

Net (Expenses) Revenues and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (2,145,064)	\$ -	\$ (2,145,064)
(7,351,385)	-	(7,351,385)
(2,547,498)	-	(2,547,498)
(961,694)	-	(961,694)
(942,106)	-	(942,106)
<u>(13,947,747)</u>	<u>-</u>	<u>(13,947,747)</u>
-	3,043,904	3,043,904
-	95,211	95,211
-	<u>3,139,115</u>	<u>3,139,115</u>
<u>(13,947,747)</u>	<u>3,139,115</u>	<u>(10,808,632)</u>
4,858,160	-	4,858,160
3,105,791	-	3,105,791
4,816,835	-	4,816,835
964,746	-	964,746
196,725	-	196,725
1,296,369	749,188	2,045,557
76,093	-	76,093
25,660	-	25,660
<u>1,000,000</u>	<u>(1,000,000)</u>	<u>-</u>
<u>16,340,379</u>	<u>(250,812)</u>	<u>16,089,567</u>
<u>2,392,632</u>	<u>2,888,303</u>	<u>5,280,935</u>
<u>17,777,683</u>	<u>5,477,294</u>	<u>23,254,977</u>
\$ 20,170,315	\$ 8,365,597	\$ 28,535,912

**CITY OF HEWITT, TEXAS**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2024

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 12,428,613	\$ 8,563,796	\$ 1,060,222	\$ 22,052,631
Receivables, net	<u>1,163,671</u>	<u>-</u>	<u>26,042</u>	<u>1,189,713</u>
Total assets	<u><u>13,592,284</u></u>	<u><u>8,563,796</u></u>	<u><u>1,086,264</u></u>	<u><u>23,242,344</u></u>
<b>LIABILITIES</b>				
Accounts payable	12,558	-	-	12,558
Accrued liabilities	<u>148,579</u>	<u>-</u>	<u>-</u>	<u>148,579</u>
Total liabilities	<u><u>161,137</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>161,137</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	181,181	-	-	181,181
Unavailable revenue - court fines	<u>33,256</u>	<u>-</u>	<u>-</u>	<u>33,256</u>
Total deferred inflows of resources	<u><u>214,437</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>214,437</u></u>
<b>FUND BALANCES</b>				
Restricted for:				
Debt service	1,045,343	-	-	1,045,343
Municipal information	<u>-</u>	<u>-</u>	<u>536,329</u>	<u>536,329</u>
Tourism	<u>-</u>	<u>-</u>	<u>367,803</u>	<u>367,803</u>
Public safety	<u>-</u>	<u>-</u>	<u>182,132</u>	<u>182,132</u>
Capital projects	<u>-</u>	<u>8,563,796</u>	<u>-</u>	<u>8,563,796</u>
Unassigned	<u><u>12,171,367</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>12,171,367</u></u>
Total fund balances	<u><u>13,216,710</u></u>	<u><u>8,563,796</u></u>	<u><u>1,086,264</u></u>	<u><u>22,866,770</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 13,592,284</u></u>	<u><u>\$ 8,563,796</u></u>	<u><u>\$ 1,086,264</u></u>	<u><u>\$ 23,242,344</u></u>

**CITY OF HEWITT, TEXAS**

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

SEPTEMBER 30, 2024

Total fund balances - governmental funds balance sheet \$ 22,866,770

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

Capital assets used in governmental activities are not reported in the funds. 28,295,267

Certain receivables will not be collected soon enough to pay for the current period's expenditures and are therefore deferred in the funds:

Property taxes 181,181  
Court fines and fees 33,256

Accrued bond interest is not due and payable in the current period and therefore is not reported in the funds: (235,542)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable (25,644,115)  
Bond premium (879,622)  
Financing arrangements (676,836)  
Compensated absences (871,576)

Included in the items related to long-term liabilities is the recognition of the City's net pension liabilities and total OPEB liability, as well as the related deferred inflows and outflows of resources.

Long-term liabilities:  
Net pension liability (4,575,119)  
Total OPEB liability (194,424)

Deferred outflows of resources:  
Outflows related to loss on refunding -  
Outflows related to pensions 2,091,490  
Outflows related to OPEB 3,480

Deferred inflows of resources:  
Inflows related to pensions (166,079)  
Inflows related to OPEB (57,816)

Net position of governmental activities \$ 20,170,315

**CITY OF HEWITT, TEXAS**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property	\$ 7,948,178	\$ -	\$ -	\$ 7,948,178
Sales	4,816,835	-	-	4,816,835
Franchise	936,907	-	27,839	964,746
Hotel occupancy	-	-	196,725	196,725
Intergovernmental	564,354	-	-	564,354
Licenses and permits	136,525	-	-	136,525
Charges for services	19,586	-	-	19,586
Fines	166,889	-	18,186	185,075
Investment earnings	744,156	500,708	51,505	1,296,369
Miscellaneous	78,374	-	-	78,374
Total revenues	<u>15,411,804</u>	<u>500,708</u>	<u>294,255</u>	<u>16,206,767</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,022,841	-	129,519	2,152,360
Public safety	7,142,324	-	-	7,142,324
Public works	1,163,535	-	-	1,163,535
Culture and recreation	882,747	-	-	882,747
Debt service:				
Principal	2,142,840	-	-	2,142,840
Interest	1,004,863	-	-	1,004,863
Capital outlay	524,146	1,949,119	-	2,473,265
Total expenditures	<u>14,883,296</u>	<u>1,949,119</u>	<u>129,519</u>	<u>16,961,934</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>528,508</u>	<u>(1,448,411)</u>	<u>164,736</u>	<u>(755,167)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of financing arrangements	275,000	-	-	275,000
Transfers in	1,000,000	-	-	1,000,000
Sale of Capital Assets	25,660	-	-	25,660
Total other financing sources (uses)	<u>1,300,660</u>	<u>-</u>	<u>-</u>	<u>1,300,660</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>1,829,168</u>	<u>(1,448,411)</u>	<u>164,736</u>	<u>545,493</u>
<b>FUND BALANCES, BEGINNING</b>	<u>11,387,542</u>	<u>10,012,207</u>	<u>921,528</u>	<u>22,321,277</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 13,216,710</u>	<u>\$ 8,563,796</u>	<u>\$ 1,086,264</u>	<u>\$ 22,866,770</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF HEWITT, TEXAS**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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

Net change in fund balances - total governmental funds	\$ 545,493
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	2,473,268
Depreciation	(2,370,378)

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

Unavailable tax revenue	15,773
Unavailable municipal court revenue	5,309

The issuance of long-term debt 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 issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond principal payments	1,774,895
Financing arrangement principal payments	367,945
Issuance of financing arrangements	(275,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of premiums and deferred loss on refunding	57,821
Pension cost	(82,072)
OPEB cost	(6,491)
Compensated absences	(118,867)
Accrued interest	<u>4,936</u>

Change in net position of governmental activities.	\$ 2,392,632
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**CITY OF HEWITT, TEXAS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

SEPTEMBER 30, 2024

	Enterprise Funds		
	Water, Sewer and Sanitation	Non-major Stormwater Drainage	Total Enterprise Funds
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 13,066,642	\$ 650,765	\$ 13,717,407
Accounts receivable, net	1,759,360	78,660	1,838,020
Restricted cash and cash equivalents	<u>1,024,149</u>	-	<u>1,024,149</u>
Total current assets	<u>15,850,151</u>	<u>729,425</u>	<u>16,579,576</u>
Noncurrent assets:			
Land	554,444	-	554,444
Construction in Progress	3,110,989	-	3,110,989
Buildings and improvements	1,028,526	-	1,028,526
Water system facilities	34,195,204	-	34,195,204
Sewer system facilities	12,843,572	-	12,843,572
Drainage system facilities	-	997,220	997,220
Equipment	2,439,877	601,560	3,041,437
Less accumulated depreciation	<u>(38,931,349)</u>	<u>(1,174,728)</u>	<u>(40,106,077)</u>
Total noncurrent assets	<u>15,241,263</u>	<u>424,052</u>	<u>15,665,315</u>
Total assets	<u>31,091,414</u>	<u>1,153,477</u>	<u>32,244,891</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	233,258	-	233,258
Deferred outflow related to pensions	<u>181,120</u>	<u>55,407</u>	<u>236,527</u>
Total deferred outflows of resources	<u>414,378</u>	<u>55,407</u>	<u>469,785</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	664,499	-	664,499
Accrued liabilities	12,528	4,235	16,763
Accrued interest payable	214,814	-	214,814
Unearned revenue	764,511	-	764,511
Customer deposits	513,733	-	513,733
Compensated absences	18,007	3,836	21,843
Financing arrangement	50,821	43,860	94,681
Bonds payable	<u>1,336,545</u>	-	<u>1,336,545</u>
Total current liabilities	<u>3,575,458</u>	<u>51,931</u>	<u>3,627,389</u>
Noncurrent liabilities:			
Compensated absences	54,022	11,507	65,529
Financing arrangement	10,185	19,191	29,376
Bonds payable	<u>20,090,603</u>	-	<u>20,090,603</u>
Net pension liability	<u>396,198</u>	<u>121,202</u>	<u>517,400</u>
Total noncurrent liabilities	<u>20,551,008</u>	<u>151,900</u>	<u>20,702,908</u>
Total liabilities	<u>24,126,466</u>	<u>203,831</u>	<u>24,330,297</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow related to pensions	14,382	4,400	18,782
Total deferred inflows of resources	<u>14,382</u>	<u>4,400</u>	<u>18,782</u>
<b>NET POSITION</b>			
Net investment in capital assets	4,831,914	361,001	5,192,915
Restricted for debt services	1,024,149	-	1,024,149
Unrestricted	<u>1,508,881</u>	<u>639,652</u>	<u>2,148,533</u>
Total net position	<u>\$ 7,364,944</u>	<u>\$ 1,000,653</u>	<u>\$ 8,365,597</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF HEWITT, TEXAS**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Enterprise Funds			
	Water, Sewer and Sanitation	ARPA	Non-major Stormwater Drainage	Total Enterprise Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 9,541,327		\$ 543,132	\$ 10,084,459
Miscellaneous	<u>125,077</u>		-	<u>125,077</u>
Total operating revenues	<u>9,666,404</u>		<u>543,132</u>	<u>10,209,536</u>
<b>OPERATING EXPENSES</b>				
Personnel	806,541		248,193	1,054,734
Contractual services	4,368,884		11,966	4,380,850
Utilities	323,428		1,859	325,287
Repairs and maintenance	605,275		39,024	644,299
Other	153,660		22,353	176,013
Depreciation	<u>2,236,701</u>		<u>121,862</u>	<u>2,358,563</u>
Total operating expenses	<u>8,494,489</u>		<u>445,257</u>	<u>8,939,746</u>
<b>OPERATING INCOME</b>	<u>1,171,915</u>		<u>97,875</u>	<u>1,269,790</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental	2,606,951		-	2,606,951
Interest and other income	721,259		27,929	749,188
Interest and other charges	<u>(734,962)</u>		<u>(2,664)</u>	<u>(737,626)</u>
Total nonoperating revenues (expenses)	<u>2,593,248</u>		<u>25,265</u>	<u>2,618,513</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>3,765,163</u>		<u>123,140</u>	<u>3,888,303</u>
Transfers out	<u>(1,000,000)</u>		-	<u>(1,000,000)</u>
<b>CHANGE IN NET POSITION</b>	<u>2,765,163</u>		<u>123,140</u>	<u>2,888,303</u>
<b>NET POSITION, BEGINNING AS PREVIOUSLY REPORTED</b>	<u>4,438,353</u>	<u>161,428</u>	<u>877,513</u>	<u>5,477,294</u>
<b>NET POSITION ADJUSTMENTS</b>				
Change within the reporting entity	<u>161,428</u>	<u>(161,428)</u>	-	-
<b>NET POSITION, BEGINNING AS RESTATED</b>	<u>4,599,781</u>	-	<u>877,513</u>	<u>5,477,294</u>
<b>NET POSITION, ENDING</b>	<u>\$ 7,364,944</u>	<u>\$ -</u>	<u>\$ 1,000,653</u>	<u>\$ 8,365,597</u>

**CITY OF HEWITT, TEXAS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Enterprise Funds		
	Water, Sewer and Sanitation	Non-major Stormwater Drainage	Total Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers and users	\$ 9,500,100	\$ 537,168	\$ 10,037,268
Cash paid to suppliers	(5,284,791)	(250,026)	(5,534,817)
Cash paid to employees	<u>(803,610)</u>	<u>(75,202)</u>	<u>(878,812)</u>
Net cash provided (used) by operating activities	<u>3,411,699</u>	<u>211,940</u>	<u>3,623,639</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants	2,606,951	-	2,606,951
Transfer to (from) other funds	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>
Net cash provided (used) by noncapital financing activities	<u>1,606,951</u>	<u>-</u>	<u>1,606,951</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital grants	(2,606,950)	-	(2,606,950)
Purchase of capital assets	(3,162,476)	-	(3,162,476)
Principal paid on capital debt	1,758,096	(82,883)	1,675,213
Interest and other charges paid on debt	<u>(661,703)</u>	<u>(2,664)</u>	<u>(664,367)</u>
Net cash provided (used) by capital and related financing activities	<u>(4,673,033)</u>	<u>(85,547)</u>	<u>(4,758,580)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	721,259	27,929	749,188
Net cash provided (used) by investing activities	<u>721,259</u>	<u>27,929</u>	<u>749,188</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<b><u>1,066,876</u></b>	<b><u>154,322</u></b>	<b><u>1,221,198</u></b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b><u>13,023,915</u></b>	<b><u>496,443</u></b>	<b><u>13,520,358</u></b>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b><u>\$ 14,090,791</u></b>	<b><u>\$ 650,765</u></b>	<b><u>\$ 14,741,556</u></b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Net operating income	1,171,915	97,875	1,269,790
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,236,701	121,862	2,358,563
(Increase) decrease in:			
Accounts receivable	(188,404)	(5,964)	(194,368)
Deferred outflows related to pensions	95,371	29,323	124,694
Increase (decrease) in:			
Accounts payable	166,456	-	166,456
Accrued liabilities	2,157	1,187	3,344
Customer deposits	22,100	-	22,100
Compensated absences	7,684	(780)	6,904
Net pension liability	(99,614)	(30,738)	(130,352)
Deferred inflows related to pensions	<u>(2,667)</u>	<u>(825)</u>	<u>(3,492)</u>
Net cash provided (used) by operations	<u>\$ 3,411,699</u>	<u>\$ 211,940</u>	<u>\$ 3,623,639</u>

The accompanying notes are an integral part of these financial statements.

## CITY OF HEWITT, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Hewitt have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below:

##### **A. Government-wide Financial Statements**

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given program; and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The City segregates transactions related to certain functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all nonmajor funds are aggregated and presented in a single column.

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

##### **B. Measurement Focus/Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using 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 compensated absences and claims and judgments, are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are considered to be measurable and available only when cash is received by the City.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It is used to account for all financial resources of the general government except those required to be accounted for in another fund.

The **Capital Projects Fund** is used to provide funding for non-routine general City projects. These projects are typically significant in cost. The projects are funded through the issuance of certificates of obligation and, if needed, operating transfers from the General Fund.

The City has presented the following major proprietary fund:

The **Water, Sewer, and Sanitation Fund** is used to account for the activities of the water distribution system, the sewage treatment plan, sewage pumping stations and collection systems, and sanitation services.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the proprietary fund include the cost of sales and services, administrative services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

## **C. Cash and Investments**

The City's cash and cash equivalents, for purposes of reporting cash flows of the proprietary fund, consist of cash on hand, demand deposits, certificate of deposits, and deposits in public funds investment pools.

State statutes authorize the City to invest in U.S. Treasury and agency securities, commercial paper, guaranteed investment contracts, repurchase agreements, and certain governmental investment pools. The City's local investment policy limits the City to invest in U.S. Treasury and agency securities, certificate of deposits, fully collateralized repurchase agreements secured by U.S. Treasury and agency securities, and public funds investment pools.

Investments in government pools are recorded at fair value, except for public funds investment pools. The public funds investment pools operate in accordance with the appropriate state laws and regulations. The reported value of the pool is the same as the amortized cost of the pool shares.

#### **D. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" or "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles.

#### **E. Restricted Assets**

Restricted cash accounts in the water and sewer fund are used to report (1) unspent bond proceeds, (2) bond debt reserve funds.

#### **F. Capital Assets**

Capital assets, which include land, land improvements, buildings and improvements, infrastructure, water, sewer, and drainage facilities, equipment, and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

Assets capitalized, not including infrastructure assets, have an original cost of \$7,500 or more and a useful life of over one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized and are reported as expenses.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Assets	Years
Buildings and improvements	40
Water, sewer, and drainage systems	25 - 40
Infrastructure	5 - 40
Machinery and equipment	5 - 10

#### **G. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet 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. The City has the following items that qualify for reporting in this category.

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Changes in actuarial assumptions – These changes are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position and/or balance sheet 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. The City has the following items that qualify for reporting in this category.

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Changes in actuarial assumptions – These changes are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

#### **H. Pensions**

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's 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.

#### **I. Other Post-Employment Benefits**

For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, City specific information about its total TMRS SDBF liability and additions to/deductions from the City's total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

#### **J. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

## **K. Long-term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

## **L. Fund Balance**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council.
- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

## **M. Net Position**

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

## **N. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

## **O. Change in Accounting Principal**

During fiscal year 2024, the City adopted the following new accounting guidance:

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62, was adopted effective October 1, 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

## **2. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

### **A. Cash Equivalents and Investments**

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, municipal bonds, managed public fund investment pools, and certificates of deposit.

TexPool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The City's investments for the year ended September 30, 2024 are as follows:

	Carrying Value	Weighted Average Maturity (Days)
Primary government:		
First National Bank	\$ 5,593,561	78
Alliance Bank	2,066,019	144
East West Bank	7,787,139	93
Southside Bank	3,300,033	67
Total primary government	<u>\$ 18,746,752</u>	
Portfolio weighted average maturity		90

Credit risk – In conformance with the City's investment policy, the City has limited credit risk by investing in only the safest type of securities as allowed by the Public Funds Investment Act, using approved brokers and with different investment pools.

Interest rate risk – The City, in compliance with its investment policy, invests in short-term securities to protect market valuation from unanticipated rate movements. In addition, the City will not directly invest in securities maturing more than five years from the date of purchase.

Concentration of credit risk – The City uses one local government investment pool and four certificates of deposit to diversify risk.

Custodial credit risk – The City requires all bank deposits to be collateralized at a level not less than the total deposits. At September 30, 2024, the carrying value of the City's bank deposits was entirely covered by federal depository insurance or by collateral held by the agent in the City's name.

## B. Receivables

Receivables as of year-end for the City's individual major funds and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Other Nonmajor Governmental	Water, Sewer and Sanitation	Nonmajor Stormwater Drainage	Total
Receivables:					
Property taxes	\$ 181,181	\$ -	\$ -	\$ -	\$ 181,181
Sales and franchise taxes	-	-	-	-	936,686
Hotel occupancy taxes	936,686	-	-	-	26,042
Fines	-	26,042	-	-	133,026
Accounts	133,026	-	-	-	2,355,179
Other	-	-	2,261,082	94,097	12,548
Gross Receivables	1,263,441	26,042	2,261,082	94,097	3,644,662
Less: allowance for doubtful accounts	(99,770)	-	(501,722)	(15,437)	(616,929)
	<u>\$ 1,163,671</u>	<u>\$ 26,042</u>	<u>\$ 1,759,360</u>	<u>\$ 78,660</u>	<u>\$ 3,027,733</u>

## C. Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 2,405,058	\$ -	\$ -	\$ 2,405,058
Construction in progress	366,967	292,309	366,967	292,309
Total capital assets not being depreciated	<u>2,772,025</u>	<u>292,309</u>	<u>366,967</u>	<u>2,697,367</u>
Capital assets being depreciated:				
Buildings and improvements	10,982,164	129,800	-	11,111,964
Infrastructure	49,113,249	1,721,797	-	50,835,046
Machinery and equipment	7,645,953	696,329	256,508	8,085,774
Total capital assets being depreciated	<u>67,741,366</u>	<u>2,547,926</u>	<u>256,508</u>	<u>70,032,784</u>
Less accumulated depreciation for:				
Buildings and improvements	2,539,373	275,248	-	2,814,621
Infrastructure	33,842,337	1,370,520	-	35,212,857
Machinery and equipment	5,939,304	724,610	256,508	6,407,406
Total accumulated depreciation	<u>42,321,014</u>	<u>2,370,378</u>	<u>256,508</u>	<u>44,434,884</u>
Total capital assets depreciated, net	<u>25,420,352</u>	<u>177,548</u>	<u>-</u>	<u>25,597,900</u>
Governmental activities, capital assets, net	<u>\$ 28,192,377</u>	<u>\$ 469,857</u>	<u>\$ 366,967</u>	<u>\$ 28,295,267</u>
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 554,444	\$ -	\$ -	\$ 554,444
Construction in progress	-	3,110,989	-	3,110,989
Total capital assets not being depreciated	<u>554,444</u>	<u>3,110,989</u>	<u>-</u>	<u>3,665,433</u>
Capital assets being depreciated:				
Buildings and improvements	1,028,526	-	-	1,028,526
Water system facilities	34,195,204	-	-	34,195,204
Sewer system facilities	12,843,572	-	-	12,843,572
Drainage system facilities	997,220	-	-	997,220
Machinery and equipment	2,989,950	51,486	-	3,041,436
Total capital assets being depreciated	<u>52,054,472</u>	<u>51,486</u>	<u>-</u>	<u>52,105,958</u>
Less accumulated depreciation for:				
Buildings and improvements	377,130	20,175	-	397,305
Water system facilities	24,956,715	1,589,779	-	26,546,494
Sewer system facilities	9,131,110	549,893	-	9,681,003
Drainage system facilities	601,018	53,746	-	654,764
Machinery and equipment	2,681,540	144,970	-	2,826,510
Total accumulated depreciation	<u>37,747,513</u>	<u>2,358,563</u>	<u>-</u>	<u>40,106,076</u>
Total capital assets depreciated, net	<u>14,306,959</u>	<u>(2,307,077)</u>	<u>-</u>	<u>11,999,882</u>
Business-type activities, capital assets, net	<u>\$ 14,861,403</u>	<u>\$ 803,912</u>	<u>\$ -</u>	<u>\$ 15,665,315</u>

Depreciation expense was charged to functions/programs of the City as follows:

<u>Governmental activities:</u>	
General government	\$ 88,359
Public safety	780,900
Streets	1,372,933
Culture and recreation	128,186
Total governmental activities	<u>\$ 2,370,378</u>
<u>Business-type activities:</u>	
Water, sewer, and sanitation	\$ 2,236,701
Stormwater drainage	121,862
Total business-type activities	<u>\$ 2,358,563</u>

#### **D. Interfund Transfers**

Interfund activity for the year ended September 30, 2024, is as follows:

Transfer From	Transfer To	Amount
Water, Sewer and Sanitation	General Fund	\$ 1,000,000
Total		<u>\$ 1,000,000</u>

The transfer from the Water, Sewer and Sanitation Fund to the General Fund was for franchise fees, administrative costs, and a payment in lieu of tax.

#### **E. Unearned Revenue**

As September 30, 2024, the ARPA fund reported unearned revenue in the amount of \$764,511 for payments received under the Coronavirus State and Local Fiscal Recovery Fund that have not yet been spent.

#### **F. Long-term Debt**

Long-term liabilities consist of bonded indebtedness, financing arrangements, compensated absences. The City issues certificates of obligation to provide funds for the acquisition and construction of major capital facilities and pledges income derived from the acquired or constructed assets to pay debt service. Financing arrangements are issued for the acquisition of equipment and other machinery. Financing arrangements, and compensated absences, are generally liquidated by the general fund and the enterprise funds.

During fiscal year 2024, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2024, in the amount of \$2,995,000. The bonds carry an interest rate between 4% and 5% and will mature in July 2044. Proceeds from the bonds will be used for construction, improvement and equipment for Phase 2 of the Water Plant at Commerce Park, i.e. the Ground Storage Tank and Pump Station.

The following is a summary of changes in long-term liabilities for the year ended September 30, 2024.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Certificates of obligation	\$ 27,116,910	\$ -	\$ 1,472,795	\$ 25,644,115	\$ 1,668,455
General refunding bonds	302,100	-	302,100	-	-
Premium on bonds	939,453	-	59,831	879,622	-
Financing arrangements	769,781	275,000	367,945	676,836	320,296
Compensated absences	752,709	258,012	139,145	871,576	217,893
Total	\$ 29,880,953	\$ 533,012	\$ 2,341,816	\$ 28,072,149	\$ 2,206,644
Business-type activities:					
Certificates of obligation	\$ 14,263,090	\$ 2,995,000	\$ 567,205	\$ 16,690,885	\$ 881,545
General refunding bonds	4,892,900	-	707,900	4,185,000	455,000
Premium on bonds	463,006	136,993	48,736	551,263	-
Financing arrangements	256,997	-	132,940	124,057	94,681
Compensated absences	80,467	33,117	26,212	87,372	21,843
Total	\$ 19,956,460	\$ 3,165,110	\$ 1,482,993	\$ 21,638,577	\$ 1,453,069

### Bonded Debt

For governmental activities, bonds payable at September 30, 2024, are comprised of the following individual issues:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
Governmental Activities				
Certificates of Obligation				
Combination Tax and Limited Surplus				
Certificates of Obligation, Series 2010	\$ 2,200,000	1.00% - 3.85%	2030	\$ 1,490,000
Combination Tax and Limited Surplus	2,905,000	1.50% - 3.00%	2032	1,409,115
Certificates of Obligation, Series 2012	3,850,000	2.00% - 3.60%	2038	2,550,000
Combination Tax and Limited Surplus	6,835,000	2.00% - 4.00%	2034	4,035,000
Certificates of Obligation, Series 2013	3,355,000	0.80% - 2.75%	2036	2,295,000
Combination Tax and Limited Surplus	4,860,000	3.00% - 4.00%	2038	3,570,000
Certificates of Obligation, Series 2014	4,925,000	3.00% - 5.00%	2042	4,545,000
Combination Tax and Limited Surplus	5,940,000	4.00% - 5.00%	2043	5,750,000
Total certificates of obligation				\$ 25,644,115

Annual debt service requirements to maturity for governmental activities are as follows:

Year Ended September 30,	Principal	Interest
2025	\$ 1,668,455	\$ 942,167
2026	1,720,342	878,952
2027	1,796,000	813,193
2028	1,861,659	746,243
2029	1,847,318	674,373
2030-2034	8,690,341	2,357,804
2035-2039	5,480,000	1,041,306
2040-2044	2,580,000	237,688
	<u>\$ 25,644,115</u>	<u>\$ 7,691,726</u>

For business-type activities, bonds outstanding at September 30, 2024 are comprised of the following issues:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
Business-type Activities				
Certificates of Obligation				
Combination Tax and Limited Surplus				
Certificates of Obligation, Series 2010	\$ 9,975,000	3.00% - 4.63%	2037	\$ 7,445,000
Combination Tax and Limited Surplus				
Certificates of Obligation, Series 2012	4,795,000	1.50% - 3.00%	2032	2,325,885
Combination Tax and Limited Surplus				
Certificates of Obligation, Series 2016	6,195,000	2.00% - 3.38%	2035	3,925,000
Combination Tax and Limited Surplus				
Certificates of Obligation, Series 2024	2,995,000	4.00% - 5.00%	2044	<u>2,995,000</u>
Total certificates of obligation				<u>16,690,885</u>
General Refunding Bonds				
General Obligation Refunding				
Bonds, Series 2015	\$ 5,555,000	2.00% - 4.00%	2032	<u>4,185,000</u>
Total General Refunding Bonds				<u>4,185,000</u>
Total bonded debt - business-type activities				\$ 20,875,885

For business-type activities, annual debt service requirements to maturity are as follows:

Year Ended September 30,	Principal	Interest
2025	\$ 1,336,545	\$ 831,678
2026	1,394,659	761,316
2027	1,444,000	714,049
2028	1,493,341	664,580
2029	1,547,682	611,895
2030-2034	8,079,658	2,154,464
2035-2039	4,585,000	627,906
2040-2044	995,000	124,995
	<u>\$ 20,875,885</u>	<u>\$ 6,490,883</u>

The City is required under provisions of the combination tax and limited surplus certificates of obligation to maintain interest and sinking funds adequate for payments of principal and interest. Proceeds from the bonds provide financing for the construction of water and wastewater infrastructure. The total principal remaining to be paid on the bonds is \$20.8 million.

## **Financing Arrangements**

The City finances the acquisition of certain vehicles, heavy equipment, and computer equipment under noncancelable financing arrangements that expire over the next four years. The arrangements carry interest rates ranging from 1.23% to 4.55% and interest expense for the year was \$21,545. Assets under financing arrangements at September 30, 2024 consisted of the following:

Annual debt service requirements to maturity are as follows:

Year Ended <u>September 30,</u>	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 320,296	\$ 24,226	\$ 94,682	\$ 1,769
2026	260,762	13,933	29,375	361
2027	<u>95,778</u>	<u>4,358</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 676,836</u></u>	<u><u>\$ 42,517</u></u>	<u><u>\$ 124,057</u></u>	<u><u>\$ 2,130</u></u>

## **G. Employee Retirement Systems**

### **Defined Benefit Pension Plan – Texas Municipal Retirement System**

#### **Plan Descriptions**

The City participates as one of 936 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 Texas Government Code, Title 8, Subtitle G (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 does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at [tmrs.com](http://tmrs.com).

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

#### **Benefits Provided**

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

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

The City has approved an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, City provides on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	60/5, 0/20
Updated service credit	100% repeating transfers
Annuity increase to retirees	70% of CPI repeating

### **Employees covered by benefit terms**

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	47
Inactive employees entitled to but not yet receiving benefits	77
Active employees	98
Total	<u>222</u>

### **Contributions**

Member contribution rates in TMRS are either 5%, 6% or 7% of the member's total compensation, and the city matching ratios are either 1:1(1 to 1), 1.5:1 (1 ½ to 1) or 2:1 (2 to 1), both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 17.12% for the calendar year 2024. The City's contributions to TMRS for the fiscal year ended September 30, 2024 was \$1,260,598.

### **Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2023, 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, 2023 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 is used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 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>100.0%</u>	

### **Discount Rate**

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period 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 12/31/2022	\$ 28,422,777	\$ 22,389,132	\$ 6,033,645
Changes for the year:			
Service cost	1,273,806	-	1,273,806
Interest	1,920,996	-	1,920,996
Difference between expected and actual experience	196,096	-	196,096
Contributions - employer	-	1,112,328	(1,112,328)
Contributions - employee	-	485,128	(485,128)
Net investment income	-	2,596,635	(2,596,635)
Benefit payments, including refunds of employee contributions	(1,200,954)	(1,200,954)	-
Administrative expense	-	(16,485)	16,485
Other changes	-	(116)	116
Net changes	<u>2,035,410</u>	<u>2,976,536</u>	<u>(786,592)</u>
Balance at 12/31/2023	<u>\$ 30,458,187</u>	<u>\$ 25,365,668</u>	<u>\$ 5,092,519</u>

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 9,847,163	\$ 5,092,519	\$ 1,230,135

### **Pension Plan Fiduciary Net Position**

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

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

For the year ended September 30, 2024, the City recognized pension expense in the governmental activities and business-type activities in the amounts of \$1,171,728 and 132,511, respectively.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 769,703	\$ 65,369
Changes in actuarial assumptions	-	119,492
Difference between projected and actual investment earnings	578,581	-
Contributions subsequent to the measurement date	979,733	-
<b>Total</b>	<b>\$ 2,328,017</b>	<b>\$ 184,861</b>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended September 30,		
2025	\$ 423,596	
2026	432,622	
2027	520,415	
2028	(213,210)	

### **H. Defined Other Post-Employment Benefit Plans**

#### **Plan Description**

The City voluntarily participates in a single-employer other postemployment benefit (OPEB) plan administered by TMRS. The Plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identical to the City's pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. Therefore, the Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

## **Benefits Provided**

The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. 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 other employment benefit and is a fixed amount of \$7,500.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees currently receiving benefits	32
Inactive employees entitled to but not yet receiving benefits	11
Active employees	98
Total	<u>141</u>

## **Contributions**

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.23% for 2024 and 0.23% for 2023, of which 0.05% and 0.05%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. 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 prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the year ended September 30, 2024 was \$17,121 representing contributions for both active and retiree coverage, which equaled the required contributions.

## **Total OPEB Liability**

The City's total OPEB liability of \$194,424 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

## **Actuarial Assumptions**

The Total OPEB Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Discount rate	3.77%
Actuarial cost method	Entry Age Method
Salary increases	3.60% to 11.85% including inflation

Mortality rates were updated and are based upon the sex distinct PUB 2010 general employee mortality table with mortality improvement scale MP-2021. Per capita costs for Pre-65 retirees were derived based upon the fully insured rates on a retiree-only experience basis. Medicare eligible retirees are assumed to rescind the City's plan and take Medicare coverage. Any Medicare Part D subsidy was not reflected in the estimate. The participation rate for future retirees is based upon years of service at retirement. Any participant that retires prior to age 50 is assumed to waive the City's healthcare plan. For any future retiree assumed to elect retiree healthcare, their spouse is assumed to waive coverage. 40% of retirees are assumed to drop coverage at the time the employer subsidy ends. The per capita claims costs include a 7% load for administrative expenses and a 10% load for stop loss premiums where both are assumed to escalate with the healthcare trend rates each year.

The discount rate of 3.77% is based upon the yield of 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The other financial assumptions for long-term inflation, payroll growth, and salary scale were taken from the TMRS actuary study.

## Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/2022	\$ 179,708
Changes for the year:	
Service cost	11,089
Interest	7,433
Difference between expected and actual experience	(10,384)
Changes of assumptions or other inputs	10,043
Benefit payments	<u>(3,465)</u>
Net changes	<u>14,716</u>
Balance at 12/31/2023	<u>\$ 194,424</u>

Changes in assumptions reflect a change in the discount rate from 4.05% to 3.77%.

### Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.77%) in measuring the Total OPEB Liability.

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB Liability	\$ 237,334	\$ 194,424	\$ 161,166

### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs

For the year ended September 30, 2024, the City recognized OPEB expense in the governmental activities in the amounts of \$10,264. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period. At September 30, 2024, the City reported deferred outflows and inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 22,083
Changes in actuarial assumptions	- -	35,733
Contributions subsequent to the measurement date	<u>3,480</u>	<u>-</u>
	<u>\$ 3,480</u>	<u>\$ 57,816</u>

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2025. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

#### For the Year Ended September 30

2025	\$ (9,308)
2026	(8,896)
2027	(11,025)
2028	(14,459)
2029	(14,087)
Thereafter	(41)

## **I. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City has joined together with other governments in Texas to form the Texas Municipal League Intergovernmental Risk Pool, a public entity risk pool currently operating as a common risk management and insurance program for liability, property, and workmen's compensation coverages. The City pays a quarterly contribution to the pool for its insurance coverage. The agreement for formation of the Texas Municipal League Intergovernmental Risk Pool provides that the Pool will be self-sustaining through member contributions and will reinsure through commercial companies for claims in excess of specific limits.

The Texas Municipal League Intergovernmental Risk Pool has published its own financial report, which can be obtained by writing the Texas Municipal League Intergovernmental Risk Pool, 1821 Rutherford Lane, Austin, Texas 78754.

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

## **J. Other Significant Commitments**

The City has contracted with Republic Services, Inc. for the collection and disposal of refuse and recyclable materials. The City negotiated a collection contract, with an effective date of July 1, 2019, for a term of five years, with the option to renew and extend the contract for another five years. Under the terms of the contract, the City will be responsible for residential billing and collection of fees. Contractor bills the city for services rendered. Total invoices paid to the company during the fiscal year were \$1,142,072.

In order to provide a long-term, reliable water supply, the City entered into an agreement with the City of Waco on October 1, 2019, for a term of twenty-five years, with the option for either party to renew and extend the contract for another twenty years. The contract expires on September 30, 2045. Payments during the fiscal year were \$1,116,244.

On October 1, 2019, the City entered into an agreement with five neighboring cities (the "conveying cities") and the City of Waco in which each conveying city transferred their respective ownership of the joint venture to the City of Waco. The City of Waco operates the system, called the Waco Metropolitan Area Regional Sewer System ("WMARSS"), a wastewater treatment effort with two current treatment facilities. The WMARSS entered into a wholesale wastewater agreement with each conveying city. During the fiscal year, the City made payments of \$1,146,999 under this contract.

## **K. Changes Within the Financial Reporting Entity**

During the year, the City had changes within the financial reporting entity:

1. The ARPA Fund was previously reported as a major enterprise fund and is now reported within the Water and Sewer Fund. The separate fund was used to account for ongoing utility projects but are not expected to be funded by fees and charges as revenue sources.

The changes in classification are required based on qualitative factors.

## **L. Significant Forthcoming Pronouncements**

Significant new accounting standards issued by the GASB not yet implemented by the City include the following:

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2024, and the impact has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**CITY OF HEWITT, TEXAS**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 7,872,825	\$ 7,872,825	\$ 7,948,178	\$ 75,353
Sales	3,850,000	3,850,000	4,816,835	966,835
Franchise	943,500	943,500	936,907	(6,593)
Licenses and permits	120,500	120,500	136,525	16,025
Intergovernmental	733,966	733,866	564,354	(169,512)
Charges for services	23,000	14,451	19,586	5,135
Fines	134,500	134,500	166,889	32,389
Investment earnings	375,000	375,000	744,156	369,156
Miscellaneous	58,000	58,000	78,374	20,374
Total revenues	<u>14,111,291</u>	<u>14,102,642</u>	<u>15,411,804</u>	<u>1,309,162</u>
<b>EXPENDITURES</b>				
Current				
General government	2,003,353	2,003,353	2,022,841	(19,488)
Public safety	7,389,778	7,389,778	7,142,324	247,454
Public works	1,156,578	1,156,578	1,163,535	(6,957)
Culture and recreation	837,626	837,626	882,747	(45,121)
Debt service				
Principal	2,142,840	2,142,840	2,142,840	-
Interest	1,000,166	1,000,166	1,004,863	(4,697)
Capital outlay	<u>170,632</u>	<u>170,632</u>	<u>524,146</u>	<u>(353,514)</u>
Total expenditures	<u>14,700,973</u>	<u>14,700,973</u>	<u>14,883,296</u>	<u>(182,323)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(589,682)	(598,331)	528,508	1,126,839
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of financing arrangements	-	-	275,000	275,000
Proceeds from disposition of capital assets	-	-	25,660	25,660
Transfers in	1,000,000	1,000,000	1,000,000	-
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,300,660</u>	<u>300,660</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>410,318</u>	<u>401,669</u>	<u>1,829,168</u>	<u>1,427,499</u>
<b>FUND BALANCES, BEGINNING</b>	<u>11,387,542</u>	<u>11,387,542</u>	<u>11,387,542</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 11,797,860</u>	<u>\$ 11,789,211</u>	<u>\$ 13,216,710</u>	<u>\$ 1,427,499</u>

**CITY OF HEWITT, TEXAS**

**NOTES TO BUDGETARY INFORMATION**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**BUDGETARY INFORMATION**

An annual budget is legally adopted for all city funds including Operating, Special and Capital Projects Funds. Prior to the beginning of the fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing those expenditures.

Public hearings are conducted at which all interested persons' comments concerning the budget are heard. Prior to September 30, the budget is legally enacted through passage of an ordinance by the City Council.

The appropriated budget is prepared by fund and department. Encumbrance accounting is not utilized by the City. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, transfers of appropriations between funds requires approval by the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. No supplementary budgetary appropriations were made during the year.

In order to provide a meaningful comparison of actual results with the budget, the actual and budget amounts are presented in accordance with the City's budgetary basis in the financial statements of the individual funds.

**CITY OF HEWITT, TEXAS**

**SCHEDULE OF CHANGES IN TMRS NET PENSION LIABILITY  
AND RELATED RATIOS**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

<b>Measurement Date December 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>A. Total pension liability</b>				
Service Cost	\$ 562,384	\$ 677,066	\$ 789,084	\$ 822,083
Interest (on the Total Pension Liability)	968,575	1,069,693	1,113,527	1,209,174
Difference between expected and actual experience	289,232	82,445	232,482	(95,913)
Change of assumptions	-	(99,647)	-	-
Benefit payments, including refunds of employee contributions	<u>(410,019)</u>	<u>(455,951)</u>	<u>(684,443)</u>	<u>(784,782)</u>
Net change in total pension liability	1,410,172	1,273,606	1,450,650	1,150,562
Total pension liability - beginning	<u>13,760,604</u>	<u>15,170,776</u>	<u>16,444,382</u>	<u>17,895,032</u>
Total pension liability - ending (a)	<u>\$ 15,170,776</u>	<u>\$ 16,444,382</u>	<u>\$ 17,895,032</u>	<u>\$ 19,045,594</u>
<b>B. Plan fiduciary net position</b>				
Contributions - employer	\$ 567,026	\$ 611,595	\$ 689,247	\$ 721,451
Contributions - employee	268,007	279,449	315,470	321,665
Net investment income	631,326	17,826	846,118	1,895,854
Benefit payments, including refunds of employee contributions	<u>(410,019)</u>	<u>(455,951)</u>	<u>(684,443)</u>	<u>(784,782)</u>
Administrative expenses	(6,591)	(10,861)	(9,560)	(9,827)
Other	<u>(542)</u>	<u>(535)</u>	<u>(515)</u>	<u>(499)</u>
Net change in plan fiduciary net position	1,049,207	441,523	1,156,317	2,143,862
Plan fiduciary net position - beginning	<u>11,034,947</u>	<u>12,084,154</u>	<u>12,525,677</u>	<u>13,681,994</u>
Plan fiduciary net position - ending (b)	<u>\$ 12,084,154</u>	<u>\$ 12,525,677</u>	<u>\$ 13,681,994</u>	<u>\$ 15,825,856</u>
<b>C. Net pension liability - ending (a) - (b)</b>	<b><u>\$ 3,086,622</u></b>	<b><u>\$ 3,918,705</u></b>	<b><u>\$ 4,213,038</u></b>	<b><u>\$ 3,219,738</u></b>
<b>D. Plan fiduciary net position as a percentage of total pension liability</b>	79.65%	76.17%	76.46%	83.09%
<b>E. Covered payroll</b>	\$ 3,828,666	\$ 3,992,134	\$ 4,488,532	\$ 4,595,210
<b>F. Net position liability as a percentage of covered payroll</b>	80.62%	98.16%	93.86%	70.07%

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 838,824 1,289,282	\$ 842,000 1,384,349	\$ 933,172 1,494,824	\$ 1,018,441 1,571,824	\$ 1,157,534 1,738,244	\$ 1,273,806 1,920,996
6,076 -	756 94,624	(633,793) -	586,909 -	806,939 -	196,096 (154,534)
<u>(729,056)</u>	<u>(725,683)</u>	<u>(735,615)</u>	<u>(656,588)</u>	<u>(905,880)</u>	<u>(1,200,954)</u>
1,405,126	1,596,046	1,058,588	2,520,586	2,796,837	2,035,410
<u>19,045,594</u>	<u>20,450,720</u>	<u>22,046,766</u>	<u>23,105,354</u>	<u>25,625,940</u>	<u>28,422,777</u>
<u><b>\$20,450,720</b></u>	<u><b>\$22,046,766</b></u>	<u><b>\$23,105,354</b></u>	<u><b>\$25,625,940</b></u>	<u><b>\$28,422,777</b></u>	<u><b>\$30,458,187</b></u>
\$ 747,341 328,399 (474,030)	\$ 757,848 336,608 2,427,887	\$ 797,653 360,696 1,403,594	\$ 922,997 393,004 2,647,453	\$ 988,728 444,229 (1,723,851)	\$ 1,112,328 485,128 2,596,635
(729,056) (9,162) (479)	(725,683) (13,705) (411)	(735,615) (9,073) (352)	(656,588) (12,238) 84	(905,880) (14,897) 17,775	(1,200,954) (16,485) (116)
<u>(136,987)</u>	<u>2,782,544</u>	<u>1,816,903</u>	<u>3,294,712</u>	<u>(1,193,896)</u>	<u>2,976,536</u>
<u>15,825,856</u>	<u>15,688,869</u>	<u>18,471,413</u>	<u>20,288,316</u>	<u>23,583,028</u>	<u>22,389,132</u>
<u><b>\$15,688,869</b></u>	<u><b>\$18,471,413</b></u>	<u><b>\$20,288,316</b></u>	<u><b>\$23,583,028</b></u>	<u><b>\$22,389,132</b></u>	<u><b>\$25,365,668</b></u>
<u><b>\$ 4,761,851</b></u>	<u><b>\$ 3,575,353</b></u>	<u><b>\$ 2,817,038</b></u>	<u><b>\$ 2,042,912</b></u>	<u><b>\$ 6,033,645</b></u>	<u><b>\$ 5,092,519</b></u>
76.72%	83.78%	87.81%	92.03%	78.77%	83.28%
\$ 4,691,408	\$ 4,808,681	\$ 5,152,801	\$ 5,614,336	\$ 6,346,131	\$ 6,930,394
101.50%	74.35%	54.67%	36.39%	95.08%	73.48%

**CITY OF HEWITT, TEXAS**

**SCHEDULE OF TMRS CONTRIBUTIONS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<b>Fiscal Year September 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Actuarial determined contribution	\$ 590,017	\$ 668,083	\$ 710,979
Contributions in relation to the actuarially determined contribution	<u>(590,017)</u>	<u>(668,083)</u>	<u>(710,979)</u>
Contribution deficiency (excess)	-	-	-
Covered payroll	3,885,239	4,362,967	4,611,360
Contributions as a percentage of covered payroll	15.19%	15.31%	15.42%

**NOTES TO SCHEDULE OF TMRS CONTRIBUTIONS**

**Valuation Date** 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, (longest amortization ladder)
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale MP-2021. 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 MP-2021.

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
\$ 728,018	\$ 751,097	\$ 822,591	\$ 896,485	\$ 982,080	\$ 1,098,392	\$ 1,260,598
<u>(728,018)</u>	<u>(751,097)</u>	<u>(822,591)</u>	<u>(896,485)</u>	<u>(982,080)</u>	<u>(1,098,392)</u>	<u>(1,260,598)</u>
-	-	-	-	-	-	-
4,587,966	4,751,386	5,288,613	5,526,772	6,170,429	6,812,465	7,443,936
15.87%	15.81%	15.55%	16.22%	15.92%	16.12%	16.93%

**CITY OF HEWITT, TEXAS**

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
AND RELATED RATIOS - TEXAS MUNICIPAL RETIREMENT SYSTEM  
SUPPLEMENTAL DEATH BENEFITS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

<b>Measurement Date December 31,</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>A. Total OPEB liability</b>			
Service Cost	\$ 7,812	\$ 9,383	\$ 8,656
Interest (on the Total OPEB Liability)	5,327	5,577	6,088
Differences between expected and actual experience	-	(5,324)	(7,878)
Changes of assumptions	14,550	(12,716)	34,058
Benefit payments, including refunds of employee contributions	(919)	(938)	(962)
Net change in Total OPEB liability	26,770	(4,018)	39,962
Total OPEB liability - beginning	<u>137,488</u>	<u>164,258</u>	<u>160,240</u>
Total OPEB liability - ending (a)	<u>\$ 164,258</u>	<u>\$ 160,240</u>	<u>\$ 200,202</u>
<b>B. Covered-employee payroll</b>			
	4,595,210	4,691,408	4,808,681
<b>C. Total OPEB liability as a percentage of covered-employee payroll</b>			
	3.57%	3.42%	4.16%

**Notes to Schedule:**

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.
- The changes of assumptions generally includes the annual change in the municipal bond index rate.

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 12,882	\$ 17,966	\$ 20,308	\$ 11,089
5,669	4,944	4,954	7,433
(12,752)	(7,510)	(49)	(10,384)
34,949	9,051	(102,698)	10,043
<u>(1,031)</u>	<u>(3,369)</u>	<u>(3,808)</u>	<u>(3,465)</u>
39,717	21,082	(81,293)	14,716
<u>200,202</u>	<u>239,919</u>	<u>261,001</u>	<u>179,708</u>
<u>\$ 239,919</u>	<u>\$ 261,001</u>	<u>\$ 179,708</u>	<u>\$ 194,424</u>
5,152,801	5,614,336	6,346,131	6,930,394
4.66%	4.65%	2.83%	2.81%

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**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

***Hotel/Motel Tax Fund*** – This fund is used to account for the occupancy tax collected by hotels and motels located in the City. Funds from this account are used to promote “heads in beds” sometimes called the “Texas Two-Step” where sponsored activities draw those from outside the city who will likely be staying in hotels.

***PEG Fund*** – This fund is established to account for the funds received for professional, educational, and governmental communications. Funds from this account are limited to specific communications uses.

***Child Safety Fee Fund*** – This fund is used to account for child safety fees and limited to specific safety related training uses.

**CITY OF HEWITT, TEXAS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Hotel / Motel Tax	PEG	Child Safety Fee	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 341,761	\$ 536,329	\$ 182,132	\$ 1,060,222
Accounts receivable, net	<u>26,042</u>	-	-	<u>26,042</u>
Total assets	<u>367,803</u>	<u>536,329</u>	<u>182,132</u>	<u>1,086,264</u>
<b>LIABILITIES</b>	-	-	-	-
<b>FUND BALANCES</b>				
Restricted for:				
Tourism	367,803	-	-	367,803
Municipal information	-	536,329	-	536,329
Public safety	-	-	182,132	182,132
Total fund balances	<u>367,803</u>	<u>536,329</u>	<u>182,132</u>	<u>1,086,264</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 367,803</u>	<u>\$ 536,329</u>	<u>\$ 182,132</u>	<u>\$ 1,086,264</u>

**CITY OF HEWITT, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Hotel / Motel Tax	PEG	Child Safety Fee	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes:				
Hotel occupancy	\$ 196,725	\$ -	\$ -	\$ 196,725
Franchise	- -	27,839	- -	27,839
Fines	- -	- -	18,186	18,186
Investment earnings	<u>15,881</u>	<u>26,624</u>	<u>9,000</u>	<u>51,505</u>
Total revenues	<u>212,606</u>	<u>54,463</u>	<u>27,186</u>	<u>294,255</u>
<b>EXPENDITURES</b>				
Current				
General government	127,994	1,525	- -	129,519
Total expenditures	<u>127,994</u>	<u>1,525</u>	<u>- -</u>	<u>129,519</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>84,612</u>	<u>52,938</u>	<u>27,186</u>	<u>164,736</u>
<b>FUND BALANCES, BEGINNING</b>	<u>283,191</u>	<u>483,391</u>	<u>154,946</u>	<u>921,528</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 367,803</u>	<u>\$ 536,329</u>	<u>\$ 182,132</u>	<u>\$ 1,086,264</u>

**CITY OF HEWITT, TEXAS**

**CAPITAL PROJECTS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ 460,000	\$ 460,000	\$ 500,708	\$ 40,708
Total revenues	<u>460,000</u>	<u>460,000</u>	<u>500,708</u>	<u>40,708</u>
<b>EXPENDITURES</b>				
Capital outlay	6,231,974	6,231,974	1,949,119	4,282,855
Total expenditures	<u>6,231,974</u>	<u>6,231,974</u>	<u>1,949,119</u>	<u>4,282,855</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(5,771,974)</u>	<u>(5,771,974)</u>	<u>(1,448,411)</u>	<u>4,323,563</u>
<b>FUND BALANCES, BEGINNING</b>	<u>10,012,207</u>	<u>10,012,207</u>	<u>10,012,207</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 4,240,233</u>	<u>\$ 4,240,233</u>	<u>\$ 8,563,796</u>	<u>\$ 4,323,563</u>

**CITY OF HEWITT, TEXAS**

**HOTEL/MOTEL TAX**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes:				
Hotel occupancy	\$ 185,000	\$ 185,000	\$ 196,725	\$ 11,725
Investment earnings	3,000	3,000	15,881	12,881
Total revenues	<u>188,000</u>	<u>188,000</u>	<u>212,606</u>	<u>24,606</u>
<b>EXPENDITURES</b>				
Current				
General government	<u>109,500</u>	<u>109,500</u>	<u>127,994</u>	<u>(18,494)</u>
Total expenditures	<u>109,500</u>	<u>109,500</u>	<u>127,994</u>	<u>(18,494)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>78,500</u>	<u>78,500</u>	<u>84,612</u>	<u>6,112</u>
<b>FUND BALANCES, BEGINNING</b>	<u>283,191</u>	<u>283,191</u>	<u>283,191</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 361,691</u>	<u>\$ 361,691</u>	<u>\$ 367,803</u>	<u>\$ 6,112</u>

**CITY OF HEWITT, TEXAS**

PEG

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Franchise	\$ 35,000	\$ 35,000	\$ 27,839	\$ (7,161)
Investment earnings	<u>4,000</u>	<u>4,000</u>	<u>26,624</u>	<u>22,624</u>
Total revenues	<u>39,000</u>	<u>39,000</u>	<u>54,463</u>	<u>15,463</u>
<b>EXPENDITURES</b>				
Current				
General government	<u>15,000</u>	<u>15,000</u>	<u>1,525</u>	<u>13,475</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>1,525</u>	<u>13,475</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>24,000</u>	<u>24,000</u>	<u>52,938</u>	<u>28,938</u>
<b>FUND BALANCES, BEGINNING</b>	<u>483,391</u>	<u>483,391</u>	<u>483,391</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 507,391</u>	<u>\$ 507,391</u>	<u>\$ 536,329</u>	<u>\$ 28,938</u>

**CITY OF HEWITT, TEXAS**

**CHILD SAFETY FEE**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines	\$ 18,500	\$ 18,500	\$ 18,186	\$ (314)
Investment earnings	500	500	9,000	8,500
Total revenues	<u>19,000</u>	<u>19,000</u>	<u>27,186</u>	<u>8,186</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Total expenditures	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<u>19,000</u>	<u>19,000</u>	<u>27,186</u>	<u>8,186</u>
<b>FUND BALANCES, BEGINNING</b>	<u>154,946</u>	<u>154,946</u>	<u>154,946</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 173,946</u>	<u>\$ 173,946</u>	<u>\$ 182,132</u>	<u>\$ 8,186</u>

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## **STATISTICAL SECTION**

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**Statistical Section**  
(Unaudited)

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

	<b>Page Number</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	52 – 61
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source – gas revenue, as well as its ability to generate its property taxes and information regarding its sales tax sources.	62 – 66
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	67 – 73
<b>Demographic and Economic Information</b> These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place.	74 – 78
<b>Operating Information</b> These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	79 – 82

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

**CITY OF HEWITT, TEXAS**

**NET POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

	Fiscal Year			
	2024	2023	2022	2021
Governmental activities:				
Net investment in capital assets	\$ 9,658,490	\$ 9,078,350	\$ 6,310,241	\$ 5,147,756
Restricted	2,131,607	1,803,573	1,606,369	1,552,315
Unrestricted	<u>8,380,218</u>	<u>6,895,760</u>	<u>5,954,317</u>	<u>3,669,261</u>
Total governmental activities	<u><u>\$ 20,170,315</u></u>	<u><u>\$ 17,777,683</u></u>	<u><u>\$ 13,870,927</u></u>	<u><u>\$ 10,369,332</u></u>
Business-type activities:				
Net investment in capital assets	\$ 5,192,915	\$ 2,324,110	\$ 1,596,257	\$ 1,936,099
Restricted	1,024,149	1,579,641	1,507,630	1,497,758
Unrestricted	<u>2,148,533</u>	<u>1,573,543</u>	<u>(355,885)</u>	<u>(1,968,329)</u>
Total business-type activities	<u><u>\$ 8,365,597</u></u>	<u><u>\$ 5,477,294</u></u>	<u><u>\$ 2,748,002</u></u>	<u><u>\$ 1,465,528</u></u>
Primary government:				
Net investment in capital assets	\$ 14,851,405	\$ 11,402,460	\$ 7,906,498	\$ 7,083,855
Restricted	3,155,756	3,383,214	3,113,999	3,050,073
Unrestricted	<u>10,528,751</u>	<u>8,469,303</u>	<u>5,598,432</u>	<u>1,700,932</u>
Total primary government	<u><u>\$ 28,535,912</u></u>	<u><u>\$ 23,254,977</u></u>	<u><u>\$ 16,618,929</u></u>	<u><u>\$ 11,834,860</u></u>

**TABLE 1**

Fiscal Year						
2020	2019	2018	2017	2016	2015	
\$ 4,933,544 1,362,342 <u>2,216,839</u>	\$ 5,261,923 747,421 <u>1,020,091</u>	\$ 3,720,418 664,160 <u>436,303</u>	\$ 3,316,858 598,217 <u>116,244</u>	\$ 2,742,077 528,612 <u>17,048</u>	\$ 4,369,473 328,064 <u>39,608</u>	
<u>\$ 8,512,725</u>	<u>\$ 7,029,435</u>	<u>\$ 4,820,881</u>	<u>\$ 4,031,319</u>	<u>\$ 3,287,737</u>	<u>\$ 4,737,145</u>	
\$ 3,058,886 1,473,819 <u>(2,791,629)</u>	\$ 3,928,630 1,441,305 <u>8,061,145</u>	\$ 4,121,226 1,411,062 <u>6,432,761</u>	\$ 4,167,825 1,372,820 <u>6,061,828</u>	\$ 2,383,188 795,600 <u>6,890,939</u>	\$ 5,907,012 1,334,912 <u>3,089,192</u>	
<u>\$ 1,741,076</u>	<u>\$ 13,431,080</u>	<u>\$ 11,965,049</u>	<u>\$ 11,602,473</u>	<u>\$ 10,069,727</u>	<u>\$ 10,331,116</u>	
\$ 7,992,430 2,836,161 <u>(574,790)</u>	\$ 9,190,553 2,188,726 <u>9,081,236</u>	\$ 7,841,644 2,075,222 <u>6,869,064</u>	\$ 7,484,683 1,971,037 <u>6,178,072</u>	\$ 5,125,265 1,324,212 <u>6,907,987</u>	\$ 10,276,485 1,662,976 <u>3,128,800</u>	
<u>\$ 10,253,801</u>	<u>\$ 20,460,515</u>	<u>\$ 16,785,930</u>	<u>\$ 15,633,792</u>	<u>\$ 13,357,464</u>	<u>\$ 15,068,261</u>	

**CITY OF HEWITT, TEXAS**

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

	Fiscal Year			
	2024	2023	2022	2021
<b>EXPENSES</b>				
Governmental activities:				
General government	\$ 2,281,589	\$ 2,120,349	\$ 1,659,976	\$ 2,200,241
Public safety	8,060,986	7,536,133	6,167,618	5,836,436
Streets	2,547,498	2,362,736	1,432,079	1,168,854
Culture and recreation	1,028,698	1,010,636	1,377,531	842,864
Bond issuance costs	-	-	-	-
Interest on long-term debt	942,106	951,119	801,909	640,760
Total governmental activities	<u>14,860,877</u>	<u>13,980,973</u>	<u>11,439,113</u>	<u>10,689,155</u>
Business-type activities:				
Water, sewer and sanitation	9,229,451	8,789,862	8,356,859	8,077,449
ARPA	-	261,317	-	-
Stormwater drainage	447,921	442,020	439,927	448,958
Total business-type activities	<u>9,677,372</u>	<u>9,493,199</u>	<u>8,796,786</u>	<u>8,526,407</u>
Total primary government	<u><u>\$ 24,538,249</u></u>	<u><u>\$ 23,474,172</u></u>	<u><u>\$ 20,235,899</u></u>	<u><u>\$ 19,215,562</u></u>
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services:				
General government	\$ 136,525	\$ 254,700	\$ 242,394	\$ 218,267
Public safety	436,410	310,470	401,915	364,161
Streets	-	-	4,925	-
Culture and recreation	40,542	52,702	39,580	22,821
Operating grants and contributions	299,653	223,441	71,017	60,634
Capital grants and contributions	-	2,800,000	1,671,000	657,000
Total governmental activities	<u>913,130</u>	<u>3,641,313</u>	<u>2,430,831</u>	<u>1,322,883</u>
Business-type activities:				
Charges for services:				
Water, sewer and sanitation	9,666,404	9,539,084	9,159,382	8,188,417
Stormwater drainage	543,132	531,097	492,447	517,939
Operating grants and contributions	2,606,951	-	-	-
Capital grants and contributions	-	2,586,317	1,320,000	438,000
Total business-type activities	<u>12,816,487</u>	<u>12,656,498</u>	<u>10,971,829</u>	<u>9,144,356</u>
Total primary government	<u><u>\$ 13,729,617</u></u>	<u><u>\$ 16,297,811</u></u>	<u><u>\$ 13,402,660</u></u>	<u><u>\$ 10,467,239</u></u>

**TABLE 2**

Fiscal Year						
2020	2019	2018	2017	2016	2015	
\$ 2,302,122	\$ 2,483,711	\$ 2,438,820	\$ 1,631,134	\$ 2,339,790	\$ 1,896,745	
5,792,543	5,168,107	4,730,176	4,698,414	4,166,333	3,952,175	
905,294	897,475	746,905	1,659,377	1,632,508	1,624,610	
839,228	780,253	717,371	714,377	575,926	506,422	
-	-	120,462	-	-	-	
<u>651,361</u>	<u>749,069</u>	<u>724,249</u>	<u>619,982</u>	<u>667,917</u>	<u>571,195</u>	
<u>10,490,548</u>	<u>10,078,615</u>	<u>9,477,983</u>	<u>9,323,284</u>	<u>9,382,474</u>	<u>8,551,147</u>	
7,931,989	8,022,576	8,007,911	7,651,272	8,039,501	7,451,538	
-	-	-	-	-	-	
<u>486,193</u>	<u>458,925</u>	<u>383,413</u>	<u>388,359</u>	<u>240,319</u>	<u>304,736</u>	
<u>8,418,182</u>	<u>8,481,501</u>	<u>8,391,324</u>	<u>8,039,631</u>	<u>8,279,820</u>	<u>7,756,274</u>	
<u>\$ 18,908,730</u>	<u>\$ 18,560,116</u>	<u>\$ 17,869,307</u>	<u>\$ 17,362,915</u>	<u>\$ 17,662,294</u>	<u>\$ 16,307,421</u>	
\$ 142,407	\$ 130,421	\$ 128,125	\$ 183,187	\$ 199,848	\$ 111,019	
305,877	299,970	227,769	214,877	161,133	208,422	
-	-	-	-	-	440	
15,276	46,328	51,357	46,032	35,110	25,925	
855,721	12,789	15,310	51,575	29,600	6,626	
-	<u>1,800,000</u>	<u>625,000</u>	<u>877,000</u>	<u>95,457</u>	<u>112,760</u>	
<u>1,319,281</u>	<u>2,289,508</u>	<u>1,047,561</u>	<u>1,372,671</u>	<u>521,148</u>	<u>465,192</u>	
7,925,925	8,894,951	8,780,563	7,974,970	8,191,004	7,616,419	
481,999	465,755	439,626	308,759	304,805	299,426	
-	-	-	-	-	-	
-	<u>1,255,000</u>	<u>314,516</u>	<u>839,000</u>	-	<u>401,650</u>	
<u>8,407,924</u>	<u>10,615,706</u>	<u>9,534,705</u>	<u>9,122,729</u>	<u>8,495,809</u>	<u>8,317,495</u>	
<u>\$ 9,727,205</u>	<u>\$ 12,905,214</u>	<u>\$ 10,582,266</u>	<u>\$ 10,495,400</u>	<u>\$ 9,016,957</u>	<u>\$ 8,782,687</u>	

**CITY OF HEWITT, TEXAS**

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

	Fiscal Year			
	2024	2023	2022	2021
<b>NET (EXPENSE) REVENUES</b>				
Governmental activities	\$ (13,947,747)	\$ (10,339,660)	\$ (9,008,282)	\$ (9,366,272)
Business-type activities	<u>3,139,115</u>	<u>3,163,299</u>	<u>2,175,043</u>	<u>617,949</u>
Total primary government	<u>(10,808,632)</u>	<u>(7,176,361)</u>	<u>(6,833,239)</u>	<u>(8,748,323)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities:				
Taxes				
Property	7,963,951	6,942,883	6,125,219	5,716,678
Sales	4,816,835	4,377,727	4,081,086	3,354,015
Franchise	964,746	983,902	968,297	927,331
Other	196,725	180,255	171,030	110,364
Investment earnings	1,296,369	730,727	93,846	65,524
Gain on sale of capital assets	25,660	-	31,903	-
Miscellaneous	76,093	75,922	83,496	93,967
Transfers	<u>1,000,000</u>	<u>955,000</u>	<u>955,000</u>	<u>955,000</u>
Total governmental activities	<u>16,340,379</u>	<u>14,246,416</u>	<u>12,509,877</u>	<u>11,222,879</u>
Business-type activities:				
Investment earnings	749,188	520,993	61,503	61,503
Gain on sale of capital assets	-	-	-	-
Transfers	<u>(1,000,000)</u>	<u>(955,000)</u>	<u>(955,000)</u>	<u>(955,000)</u>
Total business-type activities	<u>(250,812)</u>	<u>(434,007)</u>	<u>(893,497)</u>	<u>(893,497)</u>
Total primary government	<u>16,089,567</u>	<u>13,812,409</u>	<u>11,616,380</u>	<u>10,329,382</u>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	2,392,632	3,906,756	3,501,595	1,856,607
Business-type activities	<u>2,888,303</u>	<u>2,729,292</u>	<u>1,281,546</u>	<u>(275,548)</u>
Total primary government	<u>\$ 5,280,935</u>	<u>\$ 6,636,048</u>	<u>\$ 4,783,141</u>	<u>\$ 1,581,059</u>

TABLE 2

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ (9,171,267)	\$ (7,789,107)	\$ (8,430,422)	\$ (7,950,613)	\$ (8,861,326)	\$ (8,085,955)
(10,258)	2,134,205	1,143,381	1,083,098	215,989	561,221
<u>(9,181,525)</u>	<u>(5,654,902)</u>	<u>(7,287,041)</u>	<u>(6,867,515)</u>	<u>(8,645,337)</u>	<u>(7,524,734)</u>
5,424,137	5,026,525	4,561,647	4,210,134	3,954,452	3,812,874
3,035,165	2,640,288	2,470,163	2,148,609	1,813,720	1,652,368
946,835	989,681	981,905	882,928	1,023,360	1,094,525
104,290	167,676	176,242	151,652	3,511	3,986
123,791	163,725	123,883	49,094	26,166	38,908
-	-	-	-	-	66,631
65,339	54,766	57,637	129,782	50,709	61,948
<u>955,000</u>	<u>955,000</u>	<u>980,000</u>	<u>925,000</u>	<u>540,000</u>	<u>540,000</u>
<u>10,654,557</u>	<u>9,997,661</u>	<u>9,351,477</u>	<u>8,497,199</u>	<u>7,411,918</u>	<u>7,271,240</u>
188,372	286,826	199,195	96,408	53,957	31,321
-	-	-	-	8,665	6,500
<u>(955,000)</u>	<u>(955,000)</u>	<u>(980,000)</u>	<u>(925,000)</u>	<u>(540,000)</u>	<u>(540,000)</u>
<u>(766,628)</u>	<u>(668,174)</u>	<u>(780,805)</u>	<u>(828,592)</u>	<u>(477,378)</u>	<u>(502,179)</u>
<u>9,887,929</u>	<u>9,329,487</u>	<u>8,570,672</u>	<u>7,668,607</u>	<u>6,934,540</u>	<u>6,769,061</u>
1,483,290	2,208,554	921,055	546,586	(1,449,408)	(814,715)
(776,886)	1,466,031	362,576	254,506	(261,389)	59,042
\$ 706,404	\$ 3,674,585	\$ 1,283,631	\$ 801,092	\$ (1,710,797)	\$ (755,673)

**CITY OF HEWITT, TEXAS**

FUND BALANCES  
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	Fiscal Year			
	2024	2023	2022	2021
General fund				
Restricted	\$ 1,045,343	\$ 882,045	\$ 818,516	\$ 872,323
Unassigned	<u>12,171,367</u>	<u>10,505,497</u>	<u>9,140,346</u>	<u>7,266,805</u>
Total general fund	<u>\$ 13,216,710</u>	<u>\$ 11,387,542</u>	<u>\$ 9,958,862</u>	<u>\$ 8,139,128</u>
All other governmental funds				
Restricted	<u>\$ 9,650,060</u>	<u>\$ 10,933,735</u>	<u>\$ 6,124,042</u>	<u>\$ 1,593,859</u>
Total all other governmental funds	<u>\$ 9,650,060</u>	<u>\$ 10,933,735</u>	<u>\$ 6,124,042</u>	<u>\$ 1,593,859</u>

**TABLE 3**

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 1,208,784 <u>5,980,505</u>	\$ 584,334 <u>4,624,694</u>	\$ 536,949 <u>3,828,297</u>	\$ 514,607 <u>3,058,799</u>	\$ 463,104 <u>2,754,567</u>	\$ 228,713 <u>3,173,500</u>
\$ 7,189,289	\$ 5,209,028	\$ 4,365,246	\$ 3,573,406	\$ 3,217,671	\$ 3,402,213
\$ 2,298,797	\$ 2,969,591	\$ 4,901,662	\$ 2,605,080	\$ 3,545,261	\$ 4,699,139
<u>\$ 2,298,797</u>	<u>\$ 2,969,591</u>	<u>\$ 4,901,662</u>	<u>\$ 2,605,080</u>	<u>\$ 3,545,261</u>	<u>\$ 4,699,139</u>

**CITY OF HEWITT, TEXAS**

**CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

	Fiscal Year			
	2024	2023	2022	2021
<b>REVENUES</b>				
Property taxes	\$ 7,948,178	\$ 6,927,796	\$ 6,081,718	\$ 5,730,073
Sales taxes	4,816,835	4,377,727	4,081,086	3,354,015
Franchise taxes	964,746	983,902	968,297	927,331
Other taxes	196,725	180,255	171,030	110,364
Intergovernmental	564,354	455,052	266,063	216,200
Licenses and permits	136,525	254,700	242,394	218,267
Fines	185,075	140,482	208,045	184,838
Interest income	1,296,369	730,727	93,846	65,523
Miscellaneous	97,960	108,863	121,900	100,929
Total revenues	<u>16,206,767</u>	<u>14,159,504</u>	<u>12,234,379</u>	<u>10,907,540</u>
<b>EXPENDITURES</b>				
General government	2,152,360	1,987,471	1,635,763	1,522,618
Public safety	7,142,324	6,465,860	5,767,670	5,279,446
Streets	1,163,535	1,175,774	955,793	759,418
Culture and recreation	882,747	866,270	739,688	731,870
Capital outlay	2,473,265	2,008,913	783,475	1,507,615
Debt service				
Principal	2,142,840	1,891,297	1,567,866	1,535,187
Interest	1,004,863	795,546	808,978	687,995
Bond issuance	-	156,375	-	-
Advance refunding escrow	-	-	-	-
Total expenditures	<u>16,961,934</u>	<u>15,347,506</u>	<u>12,259,233</u>	<u>12,024,149</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(755,167)</u>	<u>(1,188,002)</u>	<u>(24,854)</u>	<u>(1,116,609)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,000,000	955,000	955,000	955,000
Transfers out	-	-	-	-
Debt issued	-	5,915,000	4,925,000	-
Premium on debt issued	-	241,375	228,244	-
Payment to refunded bond escrow agent	-	-	-	-
Issuance of leases	275,000	315,000	234,624	268,485
Sale of capital assets	25,660	-	31,903	138,025
Total other financing sources (uses)	<u>1,300,660</u>	<u>7,426,375</u>	<u>6,374,771</u>	<u>1,361,510</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 545,493</u>	<u>\$ 6,238,373</u>	<u>\$ 6,349,917</u>	<u>\$ 244,901</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<u>21.73%</u>	<u>25.50%</u>	<u>24.24%</u>	<u>21.10%</u>

TABLE 4

Fiscal Year						
2020	2019	2018	2017	2016	2015	
\$ 5,425,572	\$ 5,010,738	\$ 4,565,554	\$ 4,190,233	\$ 3,954,452	\$ 3,812,874	
3,035,165	2,640,288	2,470,163	2,148,609	1,813,720	1,652,368	
946,835	989,681	981,905	882,928	881,073	957,137	
104,290	167,676	176,242	151,652	152,419	141,374	
1,064,728	187,753	121,701	119,446	101,057	118,886	
142,407	130,421	128,125	183,187	218,114	125,174	
109,284	144,963	137,939	145,092	146,402	203,453	
123,791	163,725	123,883	49,094	26,166	38,908	
68,201	78,671	92,433	116,788	95,499	78,722	
<u>11,020,273</u>	<u>9,513,916</u>	<u>8,797,945</u>	<u>7,987,029</u>	<u>7,388,902</u>	<u>7,128,896</u>	
1,468,690	1,562,000	1,479,448	1,481,304	1,884,326	1,743,826	
4,978,027	4,466,000	4,318,624	4,181,739	3,725,241	3,447,235	
557,777	677,069	655,131	685,596	702,779	578,507	
707,358	647,633	598,804	594,712	539,749	470,439	
1,002,669	2,370,747	2,824,008	1,466,790	4,972,570	3,995,961	
1,511,604	1,336,472	1,214,193	1,027,945	984,466	707,640	
717,677	824,766	599,315	608,531	634,246	558,092	
-	-	120,462	-	-	-	
<u>10,943,802</u>	<u>11,884,687</u>	<u>11,809,985</u>	<u>10,046,617</u>	<u>13,443,377</u>	<u>11,501,700</u>	
<u>76,471</u>	<u>(2,370,771)</u>	<u>(3,012,040)</u>	<u>(2,059,588)</u>	<u>(6,054,475)</u>	<u>(4,372,804)</u>	
955,000	955,000	980,000	925,000	842,170	900,000	
-	-	-	-	(302,170)	(360,000)	
-	-	4,860,000	-	3,355,000	-	
-	-	-	-	139,656	-	
-	-	-	-	-	-	
277,996	327,482	260,462	282,200	307,436	93,414	
-	-	-	70,946	373,963	530,538	
<u>1,232,996</u>	<u>1,282,482</u>	<u>6,100,462</u>	<u>1,278,146</u>	<u>4,716,055</u>	<u>1,163,952</u>	
<u>\$ 1,309,467</u>	<u>\$ (1,088,289)</u>	<u>\$ 3,088,422</u>	<u>\$ (781,442)</u>	<u>\$ (1,338,420)</u>	<u>\$ (3,208,852)</u>	
22.40%	22.70%	20.20%	19.10%	16.90%	16.60%	

**CITY OF HEWITT, TEXAS**

**TABLE 5**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
(Unaudited)

LAST TEN FISCAL YEARS  
(Amounts expressed in thousands)

Fiscal Year	Real		Less:		Total Taxable		Assessed Value as Percentage of Actual Value	
	Property	Personal	Tax-exempt Property	Assessed Value	Total Tax Rate	Certified Market Value	Value as Percentage of Actual Value	
2015	\$ 827,966	\$ 52,160	\$ 174,039	\$ 706,087	0.539677	\$ 880,126	80.2%	
2016	849,510	54,884	173,809	730,585	0.539677	904,394	80.8%	
2017	905,490	58,145	188,325	775,310	0.539677	963,635	80.5%	
2018	1,000,847	62,781	220,833	842,795	0.539677	1,063,628	79.2%	
2019	1,113,730	70,700	247,520	936,910	0.539677	1,184,428	79.1%	
2020	1,187,063	76,605	255,326	1,008,342	0.539677	1,263,668	79.8%	
2021	1,224,578	72,744	263,549	1,033,773	0.547838	1,297,322	79.7%	
2022	1,380,972	72,313	320,861	1,132,424	0.540102	1,453,286	77.9%	
2023	1,709,284	78,691	486,095	1,301,880	0.540102	1,787,975	72.8%	
2024	1,927,863	91,738	545,412	1,474,189	0.546736	2,019,601	73.0%	

Source: McLennan County Appraisal District

**TABLE 6**  
**CITY OF HEWITT, TEXAS**

DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 (rate per \$1,000 of assessed value)  
 (Unaudited)

LAST TEN FISCAL YEARS

Fiscal Year Ending	City of Hewitt Direct Rates				Overlapping Rates			
	Basic Operating Rate	General		Total Direct Rate	Midway	Lorena	McLennan County	Junior College District
		Obligation	Debt Service		Independent School District	Independent School District		
2015	0.360046	0.179631		0.539677	1.320000	1.640000	0.535293	0.149530
2016	0.329858	0.209819		0.539677	1.320000	1.640000	0.535293	0.149724
2017	0.325525	0.214152		0.539677	1.320000	1.579090	0.525293	0.114890
2018	0.323593	0.216084		0.539677	1.320000	1.554090	0.505293	0.150346
2019	0.307403	0.232274		0.539677	1.320000	1.534000	0.485293	0.147696
2020	0.316587	0.223090		0.539677	1.250000	1.435210	0.485293	0.147696
2021	0.327866	0.219972		0.547838	1.236400	1.332666	0.468719	0.149782
2022	0.347103	0.192999		0.540102	1.164300	1.200310	0.425000	0.149782
2023	0.331618	0.208484		0.540102	1.124600	1.164540	0.376355	0.139074
2024	0.332142	0.214594		0.546736	0.939200	0.956775	0.329805	0.128509

Source: McLennan County Appraisal District

Notes: Overlapping rates are those of local and county governments that apply to property owners with the City of Hewitt, Texas. Not all overlapping rates apply to all City of Hewitt, Texas property owners, e.g., the rates for school taxes apply to either Midway or Lorena Independent School District. See also Table 11.

No direct funded debt limitation is imposed on the City under current state law or the City Charter. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem rate to \$2.50 per \$100 of assessed valuation for all City purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.25 of the maximum tax rate for general obligation debt service.

**TABLE 7**  
**CITY OF HEWITT, TEXAS**

**PRINCIPAL PROPERTY TAXPAYERS**  
**(Unaudited)**

Current Year and Ten Years Ago  
(Amounts expressed in thousands)

Taxpayer	2024		2014		
	Taxable Assessed Value	Rank	Percentage of Total City		Percentage of Total City Taxable Assessed Value
			Taxable Assessed Value	Taxable Assessed Value	
Taxpayer	Value	Rank	Value	Value	Rank
The ICON at Hewitt LP	\$ 41,350	1	2.8%		
Clark, Richard S. (62 properties)	14,075	2	1.0%	\$ 9,267	1 1.4%
Wal-Mart Real Estate Business Trust	12,329	3	0.8%		
Mountain Waco, LLC/Fed Ex	12,237	4	0.8%	8,730	2 1.3%
Atwood Distributing LP	10,884	5	0.7%		
Oncor Electric Delivery, Inc.				5,558	4 0.8%
Goyne Brookside Apts	9,840	6	0.7%		
FedEx Ground Package Systems	9,163	7	0.6%		
Northwood LLC (Royalton duplexs)	8,018	8	0.5%		
Midway Townhomes Ltd	7,425	9	0.5%	4,453	8 0.7%
Lindstrom Family Restated Trust	7,270	10	0.5%		
BRD Management Inc				5,132	7
Hewitt A L LLC/Senior Living Center				7,011	3 1.1%
Schultz Industries Inc/Sturdisteel				5,498	5 0.8%
Hewitt Real Estate Inv/Courtyard				5,450	6 0.8%
TKT First Colony LP (Ramada)				3,501	10 0.5%
Woody Butler Homes Inc.				3,594	9 0.5%
Total	\$ 132,591		9.0%	\$ 58,194	8.8%

Source: McLennan County Appraisal District

**TABLE 8**  
**CITY OF HEWITT, TEXAS**

**PROPERTY TAX LEVIES AND COLLECTIONS**  
**(Unaudited)**

**LAST TEN FISCAL YEARS**

Fiscal Year Ended	Tax Roll Year	Taxes Levied for the Fiscal Year	Collected With the		Collections in Subsequent Years	Total Collections to Date	
			Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
2015	2014	\$ 3,792,860	\$ 3,765,445	99.28%	\$ 28,745	\$ 3,794,190	100.04%
2016	2015	3,944,267	3,903,880	98.98%	30,591	3,934,471	99.75%
2017	2016	4,189,262	4,135,031	98.71%	35,077	4,170,108	99.54%
2018	2017	4,526,990	4,493,806	99.27%	23,543	4,517,349	99.79%
2019	2018	5,022,921	4,964,002	98.83%	35,654	4,999,656	99.54%
2020	2019	5,411,325	5,369,150	99.22%	30,149	5,399,299	99.78%
2021	2020	5,696,148	5,663,286	99.42%	31,742	5,695,028	99.98%
2022	2021	6,060,595	6,033,420	99.55%	12,261	6,045,681	99.76%
2023	2022	6,992,230	6,868,904	98.24%	(17,802)	6,868,904	98.24%
2024	2023	8,046,694	7,907,979	98.28%	-	7,907,979	98.28%

Source: McLennan County Tax Assessor

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**CITY OF HEWITT, TEXAS**

**TABLE 9**

PRINCIPAL WATER CUSTOMERS  
(Unaudited)

SEPTEMBER 30, 2024

Principal Water Customers	Average Monthly Consumption (gallons)	Average Monthly Bill (\$)
Midway Independent School District	1,080,450	9,782
The Icon Apartments	690,275	5,524
Brookside Apartments	643,833	5,932
HMG Park Manor of Hewitt, LLC	362,300	2,693
Washtub Hewitt	237,867	1,704
Dauntless Car Wash	227,958	1,639
CBOCS Texas, LLC	204,083	1,553
Rolling Meadows Enid, LLC	185,133	1,903
Mark and Elizabeth Bowles	182,342	1,962
Reserve at Dry Creek/DMA	170,833	1,874
7-Eleven, Inc.	161,392	1,267
Walker Place	137,708	1,408
White Water Express Car Wash	135,842	1,049
KBD Group Inc.	131,667	1,432
Stoney Brook of Hewitt	129,667	1,214
Ramada inn	122,883	1,173
Wal-Mart Stores Texas, LLC	121,300	1,477
Church of Latter Day Saints	116,842	1,120
Hewitt Car Wash Service	115,392	939
Rosa's Café	<u>110,667</u>	<u>953</u>
	<u><u>5,268,433</u></u>	<u><u>\$ 46,600</u></u>

WATER RATES  
(Based on Monthly Billing)

Existing Rates Effective December 1st, 2023	Residential, Commercial and Builder's Water Rates	Inside City
For a 3/4 inch service:		
For the first 3,000 gallons, minimum		\$33.00
For the next 4,000 gallons, per 1,000 gallons		5.35
For the next 5,000 gallons, per 1,000 gallons		6.00
For the next 12,000 gallons, per 1,000 gallons		6.45

Source: City of Hewitt administrative staff.

**CITY OF HEWITT, TEXAS**

**RATIOS OF OUTSTANDING DEBT BY TYPE**  
(Unaudited)

**LAST TEN FISCAL YEARS**  
(Amounts expressed in thousands)

Fiscal Year	Governmental Activities				Business-type Activities				
	General Obligation Bonds	Certificates of Obligation	Bond Premiums	Financing Arrangements	General Obligation Bonds	Certificates of Obligation	Bond Premiums	Financing Arrangements	Notes Payable
2015	\$ 2,653	\$ 15,299	\$ 365	\$ 237	\$ 7,107	\$ 14,101	\$ 703	\$ 2,028	\$ 67
2016	2,357	18,089	483	421	6,968	19,761	797	1,903	61
2017	2,060	17,515	454	546	6,830	18,934	755	1,593	54
2018	1,752	21,646	685	370	6,688	18,079	707	1,269	47
2019	1,441	20,768	643	550	6,544	17,197	658	1,125	-
2020	1,996	19,712	602	616	6,424	16,257	609	828	-
2021	880	18,697	562	682	6,245	15,343	560	777	-
2022	596	22,537	750	717	5,579	14,813	512	525	-
2023	302	27,117	939	770	4,893	14,263	463	257	-
2024	-	25,644	880	677	4,185	16,691	551	124	-

Source: See Table 15 for personal income and population information.

**TABLE 10**

Total Primary Government	Percentage of Personal Income	Per Capita
\$ 42,560	59.65%	2,968
50,840	71.26%	3,506
48,741	65.45%	3,361
51,243	69.00%	3,483
48,926	65.70%	3,294
47,044	60.22%	3,129
43,746	60.69%	2,730
46,029	63.58%	2,853
49,004	64.57%	2,982
48,752	58.18%	2,885

**TABLE 11**  
**CITY OF HEWITT, TEXAS**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**(Unaudited)**

**LAST TEN FISCAL YEARS**  
**(Amounts expressed in thousands)**

Fiscal Year	General Bonded Debt Outstanding					Debt Monies Available	Net Bonded Debt	Percentage of Actual Taxable	
	General Obligation Bonds	Certificates of Obligation	Bond Premiums	Total Bonded Debt	Service Monies Available			Net Bonded Debt	Value of Property
									Per Capita
2015	\$ 9,760	\$ 29,400	\$ 1,068	\$ 40,228	\$ 1,591	\$ 38,637		5.5%	2,694
2016	9,325	37,850	1,280	48,455	1,818	46,637		6.4%	3,216
2017	8,890	36,449	1,209	46,548	1,880	44,668		5.8%	3,081
2018	8,440	39,725	1,392	49,557	1,942	47,615		5.6%	3,227
2019	7,985	37,965	1,301	47,251	2,023	45,228		4.8%	3,045
2020	8,420	35,969	1,211	45,600	2,272	43,328		4.3%	2,882
2021	7,125	34,040	1,122	42,287	2,365	39,922		3.9%	2,491
2022	6,175	37,350	1,262	44,787	2,326	42,461		3.7%	2,632
2023	5,195	41,380	1,402	47,977	2,462	45,515		3.5%	2,770
2024	4,185	42,335	1,431	47,951	2,069	45,882		3.1%	2,715

Source: See Table 5 for property value data and Table 15 for population data.

Note: See Table 10 for general bonded debt outstanding.

**TABLE 12**  
**CITY OF HEWITT, TEXAS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**(Unaudited)**

AS OF SEPTEMBER 30, 2024

Government Unit	Debt Outstanding	As of	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt (in 000s)
Debt repaid with property taxes				
Lorena Independent School District	\$ 21,369,122	9/30/24	5.60%	1,196,671
Midway Independent School District	160,070,000	9/30/24	16.76%	26,827,732
McLennan County	85,055,000	9/30/24	4.87%	4,142,179
McLennan County Community College	38,150,000	9/30/24	4.87%	<u>1,857,905</u>
Subtotal overlapping debt				34,024,486
Other debt				
City of Hewitt, Texas *		9/30/2024		<u>27,200,573</u>
Total direct and overlapping debt				<u>\$ 61,225,059</u>
Total direct and overlapping debt % of Appraised Value			4.15%	
Total direct and overlapping debt \$ of Capita				3,623

Source: Municipal Advisory Council of Texas, Texas Municipal Reports, General Obligation Debt. Per staff at MAC, the estimated percentages of overlapping debt are calculated by the MAC using Certified Tax Values as of 7/25 from the McLennan County Tax Assessor. Each property is identified on the Tax Rolls submitted to the MAC and those properties are tagged according to the particular entity to which taxes are paid. Using the total tax values within the Government Unit and dividing by the total tax value of the City of Hewitt, the MAC determines the percentage applicable for debt.

\* Gross Debt. Please note that some debt may be supported by other revenues and thus be considered self-supporting debt. Using gross debt may overstate the actual amount of debt supported by ad valorem taxes.

**CITY OF HEWITT, TEXAS**

**LEGAL DEBT MARGIN INFORMATION**  
(Unaudited)

**LAST TEN FISCAL YEARS**  
(Taxable Assessed Value in Thousands)

	Fiscal Year			
	2024	2023	2022	2021
Total Assessed Value	<u>\$ 1,474,189</u>	<u>\$ 1,301,880</u>	<u>\$ 1,132,424</u>	<u>\$ 1,033,773</u>
Statutory tax levy limit for general obligation debt service	\$ 18,427,363	\$ 16,273,500	\$ 14,155,300	\$ 12,922,163
Current year general obligation debt service requirements	<u>3,147,701</u>	<u>2,686,843</u>	<u>2,565,000</u>	<u>2,425,000</u>
Excess of statutory limit for debt service over current requirements	<u>\$ 15,279,662</u>	<u>\$ 13,586,657</u>	<u>\$ 11,590,300</u>	<u>\$ 10,497,163</u>
Current requirements as a % of statutory limit	17.08%	16.51%	18.12%	18.77%

Notes:

No direct outstanding debt limitation is imposed on the City under current state law or the City Charter. Article XI, Section 5 of the Texas Constitution is applicable to the City and limits maximum ad valorem rate to \$2.50 per \$100 of assessed valuation for all City purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.25 of the maximum tax rate for the general obligation debt service.

**TABLE 13**

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 1,008,342	\$ 936,910	\$ 842,795	\$ 775,310	\$ 730,585	\$ 706,087
\$ 12,604,275	\$ 11,711,375	\$ 10,534,938	\$ 9,691,363	\$ 9,132,325	\$ 8,826,088
2,360,000	2,215,000	1,835,000	1,636,476	1,530,913	1,265,295
\$ 10,244,275	\$ 9,496,375	\$ 8,699,938	\$ 8,054,887	\$ 7,601,412	\$ 7,560,793
18.72%	18.91%	17.42%	16.89%	16.76%	14.34%

**TABLE 14****CITY OF HEWITT, TEXAS****PLEDGED REVENUE COVERAGE**  
(Unaudited)**LAST TEN FISCAL YEARS**

Fiscal Year	Water/Sewer Revenue Bonds and Certificates of Obligation						
	Utility Operating Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2015	\$ 7,647,318	\$ 4,312,310	\$ 3,335,008	\$ 742,713	\$ 754,362	\$ 1,497,075	2.23
2016	8,244,648	4,819,036	3,425,612	920,525	909,463	1,829,988	1.87
2017	8,070,972	4,022,088	4,048,884	964,273	915,563	1,879,836	2.15
2018	8,979,401	4,376,005	4,603,396	997,420	886,500	1,883,920	2.44
2019	9,180,440	4,318,705	4,861,735	1,025,997	860,039	1,886,036	2.58
2020	8,111,560	4,468,802	3,642,758	1,059,691	832,163	1,891,854	1.93
2021	8,248,431	4,650,419	3,598,012	1,092,782	802,632	1,895,414	1.90
2022	9,220,142	5,073,704	4,146,438	1,196,859	772,718	1,969,577	2.11
2023	9,899,288	5,641,318	4,257,970	1,235,600	742,122	1,977,722	2.15
2024	10,188,200	6,115,185	4,073,015	1,275,105	708,774	1,983,879	2.05

Notes: (1) Total revenue including interest

(2) Total Operating expenses less depreciation

**TABLE 15****CITY OF HEWITT, TEXAS****DEMOGRAPHIC AND ECONOMIC STATISTICS  
(Unaudited)****LAST TEN CALENDAR YEARS**

Calendar Year	Population (1)	Personal Income (dollars in thousands) (1)		Per Capita Personal Income (1)	Unemployment Rate (2)
		\$	71,347		
2015	14,341	\$	71,347	\$ 31,866	4.40%
2016	14,500		71,347	31,866	4.30%
2017	14,500		74,467	33,138	4.10%
2018	14,750		74,467	33,138	3.40%
2019	14,855		74,467	33,138	3.10%
2020	15,034		78,124	32,753	6.30%
2021	16,026		72,077	32,834	4.30%
2022	16,131		72,395	32,588	3.40%
2023	16,431		75,898	34,883	3.70%
2024	16,897		83,798	37,532	3.40%

Source: (1) U.S. Census Bureau, city staff and city-data.com

(2) U. S. Department of Labor, Bureau of Labor Statistics, Waco, TX Metropolitan Statistical Area

**CITY OF HEWITT, TEXAS**

**PRINCIPAL EMPLOYERS**  
(Unaudited)

**CURRENT AND PRIOR YEARS**

Employer	2024		2023	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Midway ISD	1,500	12.71%	1,355	11.48%
Walmart	265	2.25%	260	2.20%
Cracker Barrel	66	0.56%	91	0.77%
Metals 2 Go (formerly Davis Iron Works)	124	1.05%	116	0.98%
Sturdisteel	109	0.92%	113	0.96%
City of Hewitt	118	1.00%	111	0.94%
Midway Transportation	14	0.12%	18	0.15%
Merry Maids	-	- %	13	0.11%
United Super IGA	28	0.24%	27	0.23%
Scott & White Clinic	26	0.22%	25	0.21%
General Implements (Alliance Distributing)	8	0.07%	8	0.07%
Hewitt Nursing and Rehabilitation	107	0.91%	55	0.47%
Sleep Inn	12	0.10%	12	0.10%
Ramada Inn	12	0.10%	12	0.10%
Central TX Dental Care	24	0.20%	22	0.19%
Stoney Brook	47	0.40%	63	0.53%
Atwoods	31	0.26%	36	0.31%
Rosa's Café	40	0.34%	40	0.34%
<b>Total</b>	<b>2,531</b>	<b>21.45%</b>	<b>2,377</b>	<b>20.14%</b>
Employer	2019		2018	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Midway ISD	1,186	11.30%	1,120	10.82%
Walmart	249	2.37%	279	2.70%
EMSI	-	- %	260	2.51%
Cracker Barrel	100	0.95%	121	1.17%
Metals 2 Go (formerly Davis Iron Works)	115	1.10%	103	1.00%
Sturdisteel	120	1.14%	100	0.97%
City of Hewitt	104	0.99%	104	1.00%
Midway Transportation	28	0.27%	31	0.30%
Merry Maids	14	0.13%	15	0.14%
United Super IGA	23	0.22%	21	0.20%
Scott & White Clinic	19	0.18%	19	0.18%
General Implements (Alliance Distributing)	9	0.09%	10	0.10%
Senior Care Center	84	0.80%	84	0.81%
Sleep Inn	15	0.14%	15	0.14%
Ramada Inn	11	0.10%	10	0.10%
Central TX Dental Care	26	0.25%	26	0.25%
<b>Total</b>	<b>2,103</b>	<b>20.02%</b>	<b>2,318</b>	<b>22.39%</b>

Source: City of Hewitt staff.

**TABLE 16**

2022		2021		2020	
Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
1,324	11.22%	1,206	10.86%	1,185	10.68%
289	2.45%	217	1.95%	259	2.33%
80	0.68%	80	0.72%	78	0.70%
103	0.87%	97	0.87%	106	0.95%
92	0.78%	102	0.92%	106	0.95%
105	0.89%	103	0.93%	100	0.90%
24	0.20%	26	0.23%	28	0.25%
13	0.11%	17	0.15%	14	0.13%
30	0.25%	26	0.23%	27	0.24%
26	0.22%	25	0.23%	24	0.22%
8	0.07%	9	0.08%	9	0.08%
55	0.47%	115	1.04%	92	0.83%
12	0.10%	14	0.13%	10	0.09%
8	0.07%	8	0.07%	7	0.06%
22	0.19%	22	0.20%	29	0.26%
-	- %	-	- %	-	- %
-	- %	-	- %	-	- %
-	- %	-	- %	-	- %
<b>2,191</b>	<b>18.57%</b>	<b>2,067</b>	<b>18.62%</b>	<b>2,074</b>	<b>18.68%</b>
2017		2016		2015	
Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
1,413	13.85%	1,437	14.37%	1,056	12.14%
286	2.80%	300	3.00%	-	- %
260	2.55%	260	2.60%	300	3.45%
-	- %	-	- %	-	- %
100	0.98%	97	0.97%	56	0.64%
120	1.18%	100	1.00%	90	1.03%
102	1.00%	100	1.00%	93	1.07%
50	0.49%	30	0.30%	36	0.41%
17	0.17%	16	0.16%	20	0.23%
26	0.25%	23	0.23%	30	0.34%
20	0.20%	16	0.16%	17	0.20%
8	0.08%	8	0.08%	16	0.18%
150	1.47%	115	1.15%	129	1.48%
12	0.12%	14	0.14%	15	0.17%
11	0.11%	10	0.10%	12	0.14%
24	0.24%	23	0.23%	23	0.26%
<b>2,599</b>	<b>25.48%</b>	<b>2,549</b>	<b>25.49%</b>	<b>1,893</b>	<b>21.76%</b>

**CITY OF HEWITT, TEXAS**

FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES  
BY FUNCTION/PROGRAM  
(Unaudited)

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2024	2023	2022	2021
General government and administration	11.5	10.5	11	11.75
Public safety	66	60	57	53
Community services	16	16	16	14
Culture and recreation	11.50	11.50	10.25	10.25
Water, sewer and sanitation	11	11	11.50	12
<b>Total</b>	<b>116.00</b>	<b>109.00</b>	<b>105.75</b>	<b>101.00</b>

Source: City Staff. Full-time Equivalent Employees per the Adopted Budget.

**TABLE 17**

Fiscal Year					
2020	2019	2018	2017	2016	2015
11.75	13	15	15.5	14.5	14.0
53	54	52	51	51.5	48.5
15	15	13	13	12	11
10.50	10.50	10.5	9.75	9	6
13	13	13	13	13	13
<b>103.25</b>	<b>105.50</b>	<b>103.50</b>	<b>102.25</b>	<b>100.0</b>	<b>92.50</b>

**CITY OF HEWITT, TEXAS**

OPERATING INDICATORS BY FUNCTION/PROGRAM  
(Unaudited)

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2024	2023	2022	2021
<b>Public safety</b>				
Fire protection:				
Number of fulltime employees	19	16	16	16
Number of emergency responses	1,891	2,104	1,587	1,284
Police protection:				
Number of sworn personnel	31	31	29	27
Number of citations issued	1,687	1,044	1,692	1,286
Number of emergency responses	22,015	17,248	14,706	17,943
<b>Cultural and recreation</b>				
Libraries:				
Number of patrons using the library	143,708	208,610	127,530	121,870
Circulation	159,459	196,962	242,320	259,105
Parks and recreation:				
Number of parks - developed	2	2	2	2
Number of parks - undeveloped	1	1	1	1
Number of playgrounds	2	2	2	2
<b>Water and sewer</b>				
Number of water connections	6,774	6,746	6,665	6,455
Average daily consumption (thousands of gallons)	1,576	1,490	1,585	1,325
Number of sewer connections	6,677	6,640	6,567	6,382
Average daily sewage treatment (thousands of gallons)	1,279	1,312	1,463	1,240

Source: City Staff

Note: In October 2018 (FY 2019), the City started using Units for customer counts of water connections. Units include the count of residences in multi-family housing; i.e. apartments.

**TABLE 18**

Fiscal Year					
2020	2019	2018	2017	2016	2015
16 1,203	16 1,488	16 1,153	16 894	16 1,172	16 907
27 592	27 968	25 934	24 880	24 1,165	23 1,542
16,912	18,180	18,087	16,233	17,360	18,496
82,844 166,465	387,000 481,131	369,000 456,114	420,000 599,760	275,000 362,041	200,000 279,840
2 1 2	2 1 2	2 1 2	2 1 2	2 1 2	2 1 2
6,324 1,594	6,289 1,346	5,734 1,603	5,693 1,307	5,600 1,432	5,524 1,332
6,279 1,379	6,200 1,250	5,652 1,435	5,605 1,208	5,520 1,318	5,456 1,226

**CITY OF HEWITT, TEXAS**

**CAPITAL ASSET STATISTICS BY FUNCTION**  
(Unaudited)

**LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year			
	2024	2023	2022	2021
<b>Public safety</b>				
Number of fire stations	1	1	1	1
Number of police stations	1	1	1	1
Number of patrol units	4	4	4	4
<b>Other public works</b>				
City acres	4,392	4,392	4,392	4,392
Streets (miles)	70	70	70	70
<b>Cultural and recreation</b>				
Libraries:				
Number of public libraries	1	1	1	1
Parks and recreation:				
Number of parks - developed	2	2	2	2
Number of parks - undeveloped	1	1	1	1
Number of playgrounds	2	2	2	2
<b>Water and sewer</b>				
Water mains (miles)	100	100	125	125
Water storage capacity (thousands of gallons)	6,950	6,950	7,450	7,450
Sanitary sewers (miles)	89	89	88	73
Sewer capacity (thousands of gallons)	3.5744	3.5744	3.5744	3.5744

Source: Various City departments

Note: The number of miles of water main lines were reduced during replacement and reconstruction of Spring Valley Road.

Note: The amount of water storage decreased when the City of Hewitt transferred the fixed assets of a pumping station outside the city limits to the City of Waco.

**TABLE 19**

Fiscal Year					
2020	2019	2018	2017	2016	2015
1	1	1	1	1	1
1	1	1	1	1	1
4	4	4	4	4	4
4,392	4,392	4,392	4,392	4,392	4,392
70	70	70	69	68	68
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2
125	125	125	124	124	124
7,450	7,450	7,450	7,450	7,450	7,450
73	73	73	72	72	72
3.5744	3.5744	3.5744	3.5744	3.5744	3.5744

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