

CITY OF PERRYTON, TEXAS

**Annual Comprehensive
Financial Report**

**For the Year Ended
September 30, 2023**

PREPARED BY:
THE FINANCE DEPARTMENT
DIRECTOR OF FINANCE, ELLIE BLASINGAME

CITY OF PERRYTON, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR YEAR ENDED SEPTEMBER 30, 2023

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INTRODUCTORY SECTION



P.O. Box 849 • Perryton, TX 79070 • 806-435-4014 (Bus.) • 806-435-2490 (Fax)

January 29, 2024

To the Honorable Mayor,
Members of the Governing Council,
And Citizens of the City of Perryton:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with the Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Perryton for the fiscal year ended September 30, 2023.

This report consists of management's representations concerning the finances of the City of Perryton. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Perryton has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Perryton's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Perryton's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Perryton's financial statements have been audited by Doshier, Pickens & Francis, L.L.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Perryton for the fiscal year ended September 30, 2023, are free of material misstatements. The independent audit involved examining, on test basis evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the City of Perryton's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The

independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Perryton's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Perryton, incorporated in 1920, is located in the northeast part of the Texas panhandle. The City of Perryton currently occupies a land area of 4.6 square miles and serves an estimated population of 8,475. The City of Perryton is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation upon the request of the property owner, which occurs periodically, and deemed appropriate by the governing council.

The City of Perryton has operated under the council-manager form of government since 1951. It might also be worthwhile to note that there have only been 2 City Managers during that time period. Policy-making and legislative authority are vested in a governing council consisting of the mayor and five other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The government's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. The mayor and council members serve two-year staggered terms, with three council members elected each odd numbered year. The mayor and two council members are elected each even number year. The mayor and all five of the council members are elected at large and do not represent any one district.

The City of Perryton provides a full range of services, including police and fire protection; the construction and maintenance of streets and alleys, and other infrastructure; and recreational activities. Water, sanitation collection and disposal services, gas and wastewater services are provided, in essence, as a department of the City of Perryton and therefore have been included as an integral part of the City of Perryton's financial statements. The City of Perryton also is financially accountable for a legally separate economic development corporation, which is reported separately within the City of Perryton's financial statements. Additional information on this legally separate entity can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for the City of Perryton's financial planning and control. All agencies of the City of Perryton are required to submit requests for appropriation to the government's manager on or before a given date in mid-April each

year. The government's manager uses these requests as the starting point for developing a proposed budget. The government's manager then files this proposed budget with the City Secretary and the council for review at the first regularly scheduled council meeting on the first Tuesday of June. Each department supervisor is present in order to answer any questions concerning their respective department requests for funding in the upcoming year. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City of Perryton's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). No purchases over the appropriated amount budget may be made without the prior approval of the Department Head, Director of Finance and City Manager. Transfers of appropriations between departments require the special approval of the governing council. Budget-to-actual comparisons are provided in the report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this budgetary comparison is presented on page 67 as part of the required supplementary information for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 77.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Perryton operates.

Local Economy. During the fiscal year, a tornado covered 6.39 miles of Ochiltree County. Within City limits, the tornado destroyed 299 homes and caused major damage to 187 homes. 60 businesses were destroyed and 45 businesses suffered major damage. City-provided gas services were suspended for all 3,363 gas customers for between 8 to 45 days. Many homes have been replaced and businesses have relocated within the City. However, the impacts of the destruction are visible within the following financial statements. Sales tax receipts are always a significant revenue source. The current year shows a decrease of sales tax revenue by 3.02 percent. The region has a varied farming and oil and gas base that adds to the relative stability of the unemployment rate. Major industries with headquarters or divisions located within the government's boundaries, or in close proximity, include a large pork producing operation, several cattle feeding operations, oil and gas service companies, agricultural equipment sales, farm and ranch supplies as well as several financial institutions. In the past year our economic developer has continued to work with companies relocating to our area or expanding. This has helped to shore up the local economy as the oil and gas industry cycles. Though slowed somewhat, new residential homes continue to be constructed. They continued to improve main street properties in order to encourage additional growth in the more visible areas of our community.

The region (which includes the City of Perryton and surrounding unincorporated area within the same county) has an employed labor force of approximately 3,698. The city

continued to experience annexations and new construction activity, both residential and commercial. The city supports a total of 4 separate banking choices. The overall outlook and attitude of the local businesses appears to remain positive.

Long-term Financial Planning. The City was able to continue holding funds aside for future capital improvements. Such improvements would include new or upgraded city street and drainage projects. In the days following the tornado, reserves were able to be utilized to create a fund with a specific purpose of tracking tornado related expenses. In the utility fund the City has also set funds aside for future capital improvements. A new gas border station is currently in progress, as well as a water well to serve the citizenry. The City is continually looking for new operating techniques in order to prolong the life of the municipal landfill to prevent the need to purchase and permit additional properties for this purpose.

City staff continues to work closely with the governing body in discussing and prioritizing, long-range capital improvements to the infrastructure, in preparation of future growth and needs.

Financial Policies. Like all other municipalities, the City of Perryton's first concern in their investments is security of principle, then rate of return. All cash is invested in the City of Perryton's local depository bank in the form of interest-bearing checking accounts or certificates of deposit. Due to the competitive nature of the 4 local banks, the city has been able to consistently earn higher average rates than in the state-wide investment pools, while at the same time keeping the funds circulating in the local economy. The maturities of the investments range from 30 to 120 days with an average maturity of 60 days. The average yield on investments for the previous 12 months was 5.429 percent.

During Fiscal year 2022-2023 the city experienced a 3.02 percent decrease in sales tax revenues from the previous 2021-2022 fiscal year, yet sustained a 15.19 percent increase from 2010-2021. The governing body has experience with the ups and downs of the local oil and gas economies, and therefore because of their conservative budgeting efforts, the city remains strong during those down-turns of the oil and gas activity.

Within the enterprise funds, the main sources of revenue are the water and gas sales. Those revenues are dependent on seasonal swings and how wet the summers are and how cold or warm the winter was. When the City is fortunate enough to have revenues that exceed the conservative budgeted amounts, the governing body sets those funds aside, also, for future capital structure projects.

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 Perryton for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022. This was the thirty-third consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the

government published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current Annual Comprehensive Financial Report (ACFR) continues to meet the Certificate of Achievement Program's requirements and the city is submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration departments. The city would like to express our appreciation to all members of those departments who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Perryton's finances.

Respectfully submitted,



David A. Landis, City Manager
City of Perryton, Texas



Ellie Blasingame, Director of Finance
City of Perryton, Texas



Government Finance Officers Association

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

Presented to

**City of Perryton
Texas**

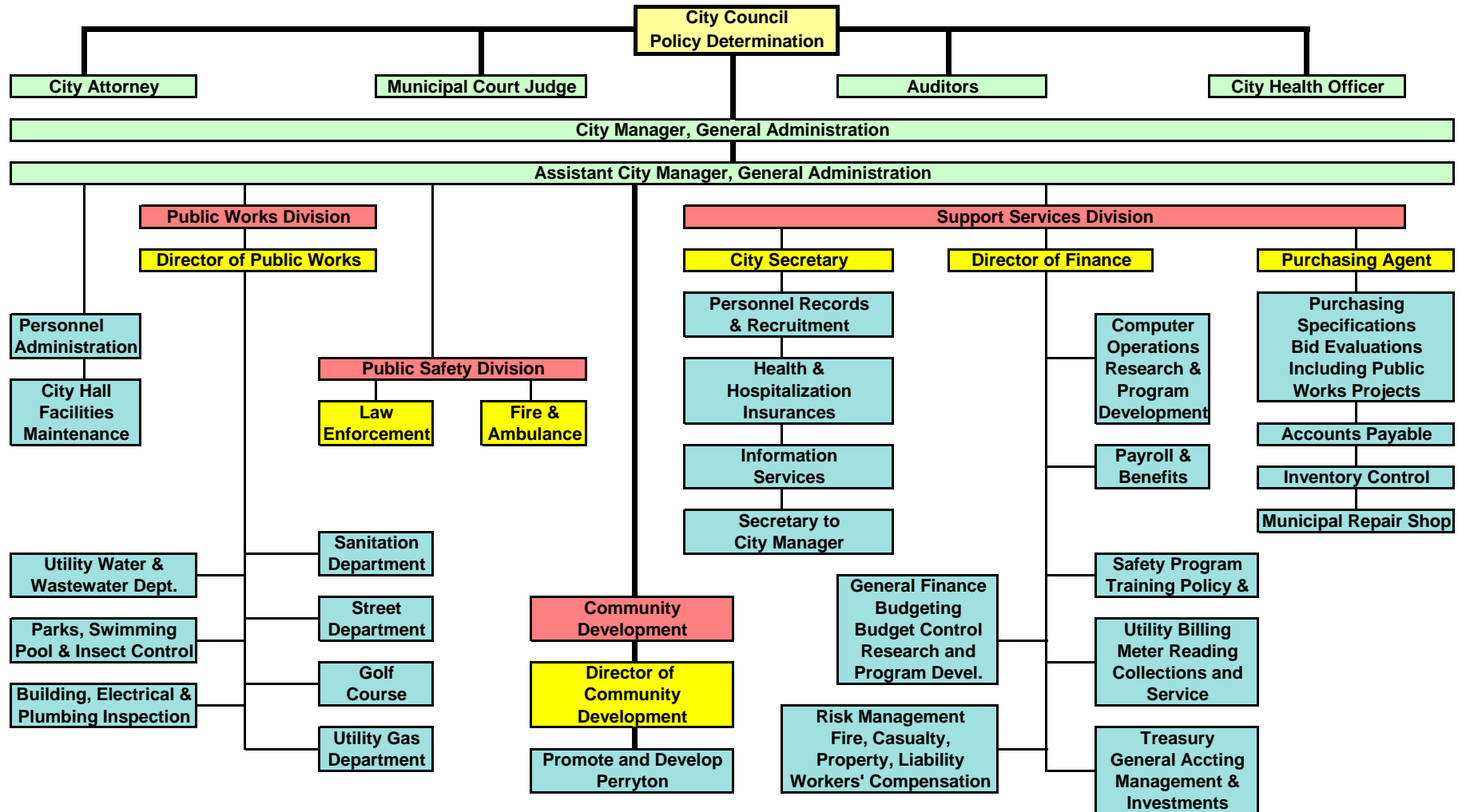
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

**City of Perryton
Organizational Structure &
Charts of Areas of Related Work**



CITY OF PERRYTON, TEXAS

PRINCIPAL OFFICIALS

SEPTEMBER 30, 2023

ELECTED OFFICIALS

Kerry Symons
Greg Good
Shirley Howard
Shae Cunningham
J Aston
Brad Kile

Mayor
Mayor Pro-Tem
Council Member
Council Member
Council Member
Council Member

APPOINTED OFFICIALS

David Landis
Colby Waters
Brandan Knapp
Ellie Blasingame
Kim Fowler
Paul Dutcher
Nick Yara
Lynette Fossand
Karsten Harrison
Octavio Flores
Robert Holland
Royce McClure
Steven Francis
Greg Ellis
Bruce Roberson
Craig Schwier

City Manager
Assistant City Manager
Director of Public Works
Director of Finance
City Secretary
Fire Chief
Police Chief
Parks/Recreation Supervisor
Golf Supervisor
Street Supervisor
Water/Wastewater Supervisor
Sanitation Supervisor
Gas Supervisor
Purchasing Agent
Municipal Court Judge
Code Enforcement

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FINANCIAL SECTION

To The Honorable Mayor and City Council
of the City of Perryton
Perryton, Texas

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Perryton, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Perryton, Texas's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Perryton, Texas, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Perryton, 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.

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 Perryton, Texas's 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.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Perryton, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Perryton, Texas's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 12 – 20), and the budgetary comparison information, the schedules of changes in net pension liability and related ratios, the schedules of employer contributions, the schedule of investment returns, and the schedule of changes in total OPEB liability and related ratios (pages 67 – 74) 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 Perryton, Texas's basic financial statements. The accompanying combining nonmajor fund financial statements and are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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 January 29, 2024, on our consideration of the City of Perryton, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Perryton, Texas's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Perryton, Texas's internal control over financial reporting and compliance.

DOSHIER, PICKENS & FRANCIS, L.L.C.

DOSHIER, PICKENS & FRANCIS, LLC

Amarillo, Texas

January 29, 2024



Management's Discussion and Analysis

As management of the City of Perryton, we offer readers of the City of Perryton's financial statements this narrative overview and analysis of the financial activities of the City of Perryton for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

Financial highlights

** The assets and deferred outflows of the City of Perryton exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$38,480,690. Of this amount \$18,367,097 may be used to meet the government's ongoing obligations to citizens.

** The City of Perryton experienced a tornado event during the fiscal year, damaging buildings, equipment, and vehicles. Because of this, total assets decreased by \$627,127. Despite the unforeseen losses, total net position increased by \$1,234,675. This is due to an increase in deferred outflows of resources increased by \$1,771,651, while the deferred inflows of resources decreased by \$1,724,091. This is due to actuarial projected and actual expenses. More details can be found in Note 7 on pages 49 through 61.

** As of the close of the current fiscal year, the City of Perryton's governmental funds reported combined ending fund balances of \$12,006,591, which was an increase of \$840,181 in comparison with the prior year. Of this total \$8,539,186 is available for spending at the government's discretion (unassigned fund balance).

** At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,539,186 or 115.65% of total general fund expenditures.

** The remainder of City of Perryton's total debt was paid during the previous fiscal year. No debt payments were made this fiscal year and there is no outstanding debt at the end of the 2022-2023 fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Perryton's basic financial statements. The City of Perryton's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Perryton that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Perryton include general government, public safety, streets, and recreation. The business-type activities of the City of Perryton include gas, water, sanitation and wastewater operations.

The government-wide financial statements include not only the City of Perryton itself, but also an economic development corporation for which the City of Perryton is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The gas, water, sanitation and wastewater operations, although also legally separate, functions for all practical purposes as departments of the City of Perryton, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on page 21-23 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Perryton, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Perryton 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 fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in 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 of Perryton maintains two 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 fund, both of which are considered to be major funds.

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

The basic governmental fund financial statements can be found on pages 24-27 of this report.

Proprietary funds. The City of Perryton maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Perryton uses enterprise funds to account for gas, water, sanitation and wastewater operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Perryton's various functions. The City of Perryton uses internal service funds to account for its vehicle fleet and management information systems.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the gas, water, sanitation and wastewater operations. Conversely, the internal service fund is combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service fund is provided elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 28-31 of this report.

Notes to the financial statements. The notes provide additional information that are 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 on pages 33-66 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Perryton's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 67-74 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Perryton, assets exceeded liabilities by \$38,480,690 at the close of the most recent fiscal year.

The largest portion of the City of Perryton's net position (47.73 percent) represents unrestricted funds. Investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets increased by \$736,224 (43.26 percent). The City of Perryton uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Perryton's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 16,361,796	\$ 17,690,326	\$ 8,618,266	\$ 8,989,924	\$ 24,980,062	\$ 26,680,250
Capital assets	7,325,775	6,972,000	9,320,413	8,601,127	16,646,188	15,573,127
Total assets	<u>\$ 23,687,571</u>	<u>\$ 24,662,326</u>	<u>\$ 17,938,679</u>	<u>\$ 17,591,051</u>	<u>\$ 41,626,250</u>	<u>\$ 42,253,377</u>
Deferred outflows of resources	<u>\$ 1,746,490</u>	<u>\$ 400,359</u>	<u>\$ 535,317</u>	<u>\$ 109,797</u>	<u>\$ 2,281,807</u>	<u>\$ 510,156</u>
Current and other liabilities	\$ 1,680,252	\$ 2,285,498	\$ 827,365	\$ 689,936	\$ 2,507,617	\$ 2,975,434
Long-term liabilities	1,947,882	353,353	819,044	311,816	2,766,926	665,169
Total liabilities	<u>\$ 3,628,134</u>	<u>\$ 2,638,851</u>	<u>\$ 1,646,409</u>	<u>\$ 1,001,752</u>	<u>\$ 5,274,543</u>	<u>\$ 3,640,603</u>
Deferred inflows of resources	<u>\$ 116,029</u>	<u>\$ 1,468,435</u>	<u>\$ 36,795</u>	<u>\$ 408,480</u>	<u>\$ 152,824</u>	<u>\$ 1,876,915</u>
Net investment in capital assets	\$ 7,325,775	\$ 6,972,000	\$ 9,320,413	\$ 8,601,127	\$ 16,646,188	\$ 15,573,127
Restricted	3,467,405	3,342,714	-	-	3,467,405	3,342,714
Unrestricted	10,896,718	10,640,685	7,470,379	7,689,489	18,367,097	18,330,174
Total net position	<u>\$ 21,689,898</u>	<u>\$ 20,955,399</u>	<u>\$ 16,790,792</u>	<u>\$ 16,290,616</u>	<u>\$ 38,480,690</u>	<u>\$ 37,246,015</u>

An additional portion of the City of Perryton's net position, \$3,467,405, represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the City of Perryton is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase of \$124,691 in restricted net position reported in connection with the City of Perryton's governmental activities. This increase is due in large part to funds being designated in Capital Improvement fund with no project expense incurred in the current year. The Park Improvement Funds increased by \$15,699 during the year, with no new projects being started. The

City continues to collect \$1.00 per month in donations on customer utility accounts to be used for those park improvement projects.

The total net position increased by \$1,234,675 during the current fiscal year. The increase reflects an increase in unrestricted assets due to controlled spending on capital projects.

Statement of Activities						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 650,425	\$ 657,018	\$ 7,023,197	\$ 5,540,871	\$ 7,673,622	\$ 6,197,889
Operating grants and contributions	381,617	390,178	361,156	45,384	742,773	435,562
Capital grants and contributions	408,113	14,548	27,140	-	435,253	14,548
General revenues:						
Property taxes	2,363,406	2,135,713	-	-	2,363,406	2,135,713
Sales taxes	2,400,995	2,473,553	-	-	2,400,995	2,473,553
Other taxes	848,811	719,556	-	-	848,811	719,556
Other	1,013,812	315,656	526,030	319,289	1,539,842	634,945
Total revenues	8,067,179	6,706,222	7,937,523	5,905,544	16,004,702	12,611,766
Expenses:						
General government	1,635,145	764,707	-	-	1,635,145	764,707
Public safety	3,243,440	2,748,987	-	-	3,243,440	2,748,987
Streets	997,412	1,151,652	-	-	997,412	1,151,652
Engineering and code enforcement	340,022	250,126	-	-	340,022	250,126
Parks and recreation	1,387,570	1,187,879	-	-	1,387,570	1,187,879
Promotions and tourism	317,485	164,115	-	-	317,485	164,115
Airport	37,430	73,781	-	-	37,430	73,781
Insect control	28,717	20,516	-	-	28,717	20,516
Utility	-	-	6,782,806	4,483,075	6,782,806	4,483,075
Total expenses	7,987,221	6,361,763	6,782,806	4,483,075	14,770,027	10,844,838
Excess of Revenues Over / (Under) Expenses	79,958	344,459	1,154,717	1,422,469	1,234,675	1,766,928
Transfers	654,541	413,107	(654,541)	(413,107)	-	-
Change in net position	734,499	757,566	500,176	1,009,362	1,234,675	1,766,928
Net position-beginning	20,955,399	20,197,833	16,290,616	15,281,254	37,246,015	35,479,087
Net position-ending	\$ 21,689,898	\$ 20,955,399	\$ 16,790,792	\$ 16,290,616	\$ 38,480,690	\$ 37,246,015

Governmental activities.

The City of Perryton's governmental net position increased by \$734,499 (3.39 percent), thereby accounting for a large portion of the overall increase in the net position of the City of Perryton. Key elements of this increase are as follows:

** Residential and commercial property values remained relatively constant as property taxes increased by \$227,693 (10.66 percent) during the year.

Revenues over all were up \$1,360,957 (20.29 percent). Retail sales tax decreased \$72,558 (2.93 percent). Revenues from capital grants and contributions were up \$393,565 (2,705.29 percent). Other revenues increased by \$698,156 (221.18 percent) largely due to investment earnings.

** A park improvement project fund, which is funded by donations from the citizenry, continued to grow.

** The total expenditures for the fiscal year increased by \$1,625,458 (25.55 percent). This can be partially attributed to the tornado event. This event caused unplanned expenditures for personnel and capital.

** Due to the tornado, \$1,000,000 was drawn from reserves to fund a new account within the governmental funds with the purpose of accounting for income and expenditures that were a result of the tornado. Neither state nor federal monetary assistance was received in regards to this declared emergency.

Business-type activities. Business-type activities increased the City of Perryton's net position by \$500,176 (2.98 percent). Key elements of this increase are as follows:

** Operating grants and contributions increased by \$315,772 (695.78 percent) over the previous year.

** The City of Perryton owns its own gas system and the seasonal changes from one winter to another plays a big part in the net cost of operating the gas system.

** Investment earnings increased by \$210,205 (279.07 percent).

Financial Analysis of the Government's Funds

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

Governmental funds.

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

As of the end of the current fiscal year, the City of Perryton's governmental funds reported combined ending fund balances of \$12,006,591, an increase of \$840,181 in comparison with the prior year. \$8,539,186 (71.12 percent) of this constitutes unassigned fund balance, which is available for spending at the government's discretion. \$486,147 (4.05 percent) is reserved for promotion and tourism, while \$2,909,728 (24.23 percent) is classified as assigned for future capital projects.

The general fund is the chief operating fund of the City of Perryton. At the end of the current fiscal year, the total fund balance reached \$8,539,186, all of which was unassigned. 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 106.91 percent of total general fund expenditures.

The fund balance for the City of Perryton's general fund increased by \$715,490 during the current fiscal year.

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

The City of Perryton has one enterprise (utility) fund, which is comprised of the sanitation, water, gas and wastewater services. The unrestricted net position for this fund at the end of the current fiscal year was \$6,023,323, while the total net position was \$15,343,736. The unrestricted net position represents 84.97 percent of that fund's total operating expenses, while the total net position represents 216.46 percent of that same amount.

The City of Perryton has one internal service fund that had unrestricted net position of \$4,124,390 and total net position of \$6,511,535 at the end of the current fiscal year. In comparison to the fund's total operating expenses those positions are 494.30 percent and 780.40 percent respectively.

General Fund budgetary Highlights

Differences between the original budget and the final amended budget, for revenues, were \$1,115,210. Part of this increase can be attributed to the local retail sales tax receipts bringing more than originally budgeted. Additionally, interest rates showed an increase over what had been expected. Other financing revenues were explored as well due to unforeseen expenses. During the ninth month of the fiscal year, a destructive tornado impacted the City's budgeted amounts, and amendments were made as necessary.

In comparing final budgeted revenues to the actual, the final amended total budget receipts exceeded actual receipts by \$63,764 or 0.09%.

Actual expenditures were 12.00 percent above the final budgeted figure. The fire and police departments' actual expenses were \$145,835 (12.67%) and \$165,903 (7.33%) respectively, below the budgeted amounts due to a change in personnel.

Capital Asset and Debt Administration

Capital assets. The City of Perryton's investment in capital assets for its governmental and business type activities as of September 30, 2023, amounts to \$14,867,440 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, a golf course, roads and streets, water, gas and wastewater system and a landfill with disposal equipment. The total decrease in the City of

Perryton's investment in capital assets for the current fiscal year was 4.75 percent (an 11.26 percent decrease for the governmental activities and 7.12 percent decrease for business-type activities).

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

** The City of Perryton continued its aggressive program of upgrading and expanding its rolling stock by purchasing 2 new patrol vehicles for the Police Department, a new half-ton pickup for the Street Department, and a new half-ton pickup for the Water Department.

** The Street department received a bucket truck.

** The Sanitation department continued with its ongoing replacement program for our trash containers. Additionally, a compactor for the landfill was purchased.

** The newly created Tornado Fund purchased an office building to house city operations.

** Vehicles, equipment, and electronics were recognized as lost following tornado damage.

** Utility lines were extended and improved as needed.

** An impairment loss was recognized regarding the City Hall building following damage of a tornado. No improvements were made during the fiscal year.

Capital Assets Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 385,997	\$ 374,007	\$ 1,552,793	\$ 1,552,793	\$ 1,938,790	\$ 1,926,800
Construction in process	-	-	1,252,067	365,810	1,252,067	365,810
Buildings and improvements	3,207,781	3,913,468	31,569	43,561	3,239,350	3,957,029
Machinery and equipment	2,990,268	1,890,879	720,559	344,970	3,710,827	2,235,849
Infrastructure	741,729	793,646	5,763,425	6,293,993	6,505,154	7,087,639
Total	<u>\$ 7,325,775</u>	<u>\$ 6,972,000</u>	<u>\$ 9,320,413</u>	<u>\$ 8,601,127</u>	<u>\$ 16,646,188</u>	<u>\$ 15,573,127</u>

Additional information on the City of Perryton's capital assets can be found in note 3 on pages 45-47 of this report.

Long-term debt. At the end of the current 2022-2023 fiscal year, the City of Perryton had no outstanding debt obligation within the Governmental Activities. Also, within the Business-type Activities, there were no outstanding debt obligations.

The City of Perryton remained without debt during the current fiscal year. No new debt was issued.

The City of Perryton's Bond Rating is AA by Standard & Poor's Financial Services LLC.

Additional information on the City of Perryton's long-term debt can be found in note 5 on pages 48-50 of this report.

Economic Factors and Next Year's Budget and Rates

The economy of the City of Perryton in the current year remains relatively stable despite the damage to residential and commercial properties. Like many of the communities in the region, the City has a strong economic development program. Following the tornado, this program has identified a need in repairing properties. The City is a general law city and continued to receive requests for annexations into the corporate limits of the city, while new commercial businesses continue to spring up.

During the fiscal year, we saw a decrease in sales tax, ending with a 3.02 percent decrease in sales tax revenue. Parts of this can be attributed to audit adjustments made by the state Comptroller. We continue to operate in preparation of ups and downs in the economy.

In comparing Utility Water accounts at the first and the last of the fiscal year, there was a decrease of 3.77 percent. This is due to the tornado that destroyed 299 homes and 60 businesses during the fiscal year. New utility accounts were connected following the tornado as repairs and rebuilding occurred, and we anticipate it to continue.

In 2021, LendEDU recognized the 100 towns and cities in the Lone Star State that have become the very best for starting small businesses. Using licensed data, they analyzed over 1,000 Texas communities based on their conduciveness to small businesses. The following three parameters were used to judge each town and city: Population (20%), Income (40%) and Expenses (40%). Perryton was ranked #1 for starting a small business in the State of Texas.

Requests for Information

This financial report is designed to provide a general overview of the City of Perryton'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 Office of the Finance Director, P.O. Box 849, Perryton, Texas 79070.

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BASIC FINANCIAL STATEMENTS

CITY OF PERRYTON, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Community Development Corporation
ASSETS				
Cash and cash equivalents	\$ 13,182,227	\$ 3,042,031	\$ 16,224,258	\$ 3,587,244
Investments	3,675,000	2,350,000	6,025,000	1,650,000
Restricted cash - utility and bond projects	-	90,377	90,377	-
Restricted cash - customer deposits	-	580,669	580,669	-
Taxes receivable, net	46,744	-	46,744	-
Other receivables	307,918	859,777	1,167,695	25,975
Due from governmental entities	476,031	187,921	663,952	155,415
Internal balances	(1,507,197)	1,507,197	-	-
Due from component unit	19,740	-	19,740	-
Inventories	161,333	294	161,627	-
Notes receivable				
Due within one year	-	-	-	40,949
Due in more than one year	-	-	-	325,175
Capital assets not being depreciated:				
Land	385,997	1,552,793	1,938,790	2,292,692
Construction in progress	-	1,252,067	1,252,067	-
Capital assets, net of accumulated depreciation:				
Buildings and improvements	3,207,781	31,569	3,239,350	1,047,565
Machinery and equipment	2,990,268	720,559	3,710,827	-
Infrastructure	741,729	5,763,425	6,505,154	-
Total assets	23,687,571	17,938,679	41,626,250	9,125,015
DEFERRED OUTFLOWS OF RESOURCES				
Pension contributions - TMRS	257,022	81,962	338,984	11,268
Pension contributions - TESRS	17,640	-	17,640	-
Pension economic/demographic losses - TMRS	69,539	22,175	91,714	3,049
Pension economic/demographic losses - TESRS	4,858	-	4,858	-
Pension deficient earnings - TMRS	1,316,865	419,936	1,736,801	57,733
Pension deficient earnings - TESRS	45,307	-	45,307	-
OPEB contributions	5,941	1,895	7,836	260
OPEB economic/demographic losses	2,606	831	3,437	114
OPEB assumption changes	26,712	8,518	35,230	1,171
Total deferred outflows of resources	1,746,490	535,317	2,281,807	73,595

Continued

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

CITY OF PERRYTON, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Community Development Corporation
Continuation				
LIABILITIES				
Accounts payable	\$ 176,581	\$ 170,034	\$ 346,615	\$ 60,873
Due to other governments	1,256,227	-	1,256,227	-
Due to primary government	-	-	-	19,740
Accrued liabilities	185,444	61,662	247,106	7,305
Deposits payable	-	580,669	580,669	-
Noncurrent liabilities:				
Due within one year	62,000	15,000	77,000	6,728
Due in more than one year	70,486	24,972	95,458	-
Accrued landfill post closure cost	-	236,078	236,078	-
Net pension liability - TMRS	1,579,855	503,802	2,083,657	69,262
Net pension liability - TESRS	127,604	-	127,604	-
Total OPEB liability	169,937	54,192	224,129	7,450
Total liabilities	3,628,134	1,646,409	5,274,543	171,358
DEFERRED INFLOWS OF RESOURCES				
Pension economic/demographic gains - TMRS	42,215	13,462	55,677	1,851
Pension assumption changes - TESRS	642	-	642	-
OPEB economic/demographic gains	8,331	2,656	10,987	365
OPEB assumption changes	64,841	20,677	85,518	2,843
Total deferred inflows of resources	116,029	36,795	152,824	5,059
NET POSITION				
Net investment in capital assets	7,325,775	9,320,413	16,646,188	3,340,257
Restricted:				
Capital improvement	2,909,728	-	2,909,728	-
Promotion and tourism	486,147	-	486,147	-
Park improvement	71,530	-	71,530	-
Unrestricted	10,896,718	7,470,379	18,367,097	5,681,936
Total net position	\$ 21,689,898	\$ 16,790,792	\$ 38,480,690	\$ 9,022,193

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

CITY OF PERRYTON, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 65,804	\$ 1,535	\$ -	\$ -
Administration	800,392	-	-	-
City Hall	768,949	10,372	-	-
Public safety:				
Police	2,099,209	35,479	-	324,589
Fire	1,144,231	366,149	369,226	83,524
Street	997,412	-	-	-
Engineering	213,430	-	-	-
Culture and recreation:				
Parks and recreation	811,235	46,886	12,391	-
Golf course	576,335	183,049	-	-
Promotion and tourism	317,485	-	-	-
Airport	37,430	-	-	-
Code enforcement	126,592	6,955	-	-
Insect control	28,717	-	-	-
Total governmental activities	7,987,221	650,425	381,617	408,113
Business-Type Activities:				
Utility	6,782,806	7,023,197	361,156	27,140
Total business-type activities	6,782,806	7,023,197	361,156	27,140
Total primary government	\$ 14,770,027	\$ 7,673,622	\$ 742,773	\$ 435,253
Component Unit:				
Community Development	\$ 586,433	\$ 18,730	\$ -	\$ 225,000

General revenues:

- Property taxes
- Sales and use taxes
- Franchise taxes
- Hotel/Motel taxes
- Alcoholic beverage taxes
- Unrestricted investment earnings
- Gain on disposal of assets
- Miscellaneous
- Transfers

Total general revenues

Change in net position

Net position - beginning

Net position, ending

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Community Development Corporation
\$ (64,269)	\$ -	\$ (64,269)	\$ -
(800,392)	-	(800,392)	-
(758,577)	-	(758,577)	-
(1,739,141)	-	(1,739,141)	-
(325,332)	-	(325,332)	-
(997,412)	-	(997,412)	-
(213,430)	-	(213,430)	-
(751,958)	-	(751,958)	-
(393,286)	-	(393,286)	-
(317,485)	-	(317,485)	-
(37,430)	-	(37,430)	-
(119,637)	-	(119,637)	-
(28,717)	-	(28,717)	-
(6,547,066)	-	(6,547,066)	-
-	628,687	628,687	-
-	628,687	628,687	-
(6,547,066)	628,687	(5,918,379)	-
			(342,703)
2,363,406	-	2,363,406	-
2,400,995	-	2,400,995	800,332
566,014	-	566,014	-
282,797	-	282,797	-
15,566	-	15,566	-
890,522	285,528	1,176,050	299,270
300	-	300	108,366
107,424	240,502	347,926	35,239
654,541	(654,541)	-	-
7,281,565	(128,511)	7,153,054	1,243,207
734,499	500,176	1,234,675	900,504
20,955,399	16,290,616	37,246,015	8,121,689
\$ 21,689,898	\$ 16,790,792	\$ 38,480,690	\$ 9,022,193

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

CITY OF PERRYTON, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General	Capital Projects	Total Non-major Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,986,848	\$ 2,192,853	\$ 325,337	\$ 9,505,038
Investments	2,425,000	700,000	250,000	3,375,000
Taxes receivable, net	46,744	-	-	46,744
Due from other funds	1,418	-	-	1,418
Due from component unit	19,740	-	-	19,740
Due from other governments	476,031	-	-	476,031
Other receivables	225,976	16,875	47,342	290,193
	<u>10,181,757</u>	<u>2,909,728</u>	<u>622,679</u>	<u>13,714,164</u>
Total assets	<u>\$ 10,181,757</u>	<u>\$ 2,909,728</u>	<u>\$ 622,679</u>	<u>\$ 13,714,164</u>
LIABILITIES				
Accounts payable	\$ 108,730	\$ -	\$ 65,000	\$ 173,730
Due to other funds	60,139	-	2	60,141
Due to other governments	1,256,227	-	-	1,256,227
Accrued liabilities	175,818	-	-	175,818
	<u>1,600,914</u>	<u>-</u>	<u>65,002</u>	<u>1,665,916</u>
Total liabilities	<u>1,600,914</u>	<u>-</u>	<u>65,002</u>	<u>1,665,916</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	41,657	-	-	41,657
	<u>41,657</u>	<u>-</u>	<u>-</u>	<u>41,657</u>
Total deferred inflows of resources	<u>41,657</u>	<u>-</u>	<u>-</u>	<u>41,657</u>
FUND BALANCES				
Restricted for:				
Capital projects fund	-	2,909,728	-	2,909,728
Promotion and tourism	-	-	486,147	486,147
Park improvements	-	-	71,530	71,530
Unassigned	8,539,186	-	-	8,539,186
	<u>8,539,186</u>	<u>2,909,728</u>	<u>557,677</u>	<u>12,006,591</u>
Total fund balances	<u>8,539,186</u>	<u>2,909,728</u>	<u>557,677</u>	<u>12,006,591</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,181,757</u>	<u>\$ 2,909,728</u>	<u>\$ 622,679</u>	<u>\$ 13,714,164</u>

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

CITY OF PERRYTON, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balance - governmental funds	\$ 12,006,591
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	7,325,775
Certain accounts receivable are not available to pay for current-period expenditures and, therefore, are shown as unavailable revenues in the fund financial statements.	41,657
Pension and OPEB losses, deficient earnings, and assumption changes are shown as deferred outflows of resources in the government-wide financial statements.	
Pension deferred outflows of resources - TMRS	1,386,404
Pension deferred outflows of resources - TESRS	50,165
OPEB deferred outflows of resources	29,318
Pension and OPEB contributions paid after the measurement date, December 31, 2022, and before September 30, 2023 are expensed in the governmental funds and shown as deferred outflows of resources in the government-wide financial statements.	
Pension contributions - TMRS	257,022
Pension contributions - TESRS	17,640
OPEB contributions	5,941
Pension and OPEB gains, excess earnings, and assumption changes are shown as deferred inflows of resources in the government-wide financial statements.	
Pension deferred inflows of resources - TMRS	(42,215)
Pension deferred inflows of resources - TESRS	(642)
OPEB deferred inflows of resources	(73,172)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds:	
Compensated absences	(132,486)
Total other post employment benefit liability	(169,937)
Net pension liability - TMRS	(1,579,855)
Net pension liability - TESRS	(127,604)
The assets and liabilities of internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position. (netted for capital assets and long-term liabilities reported above and the portion allocated to business-type activities)	2,695,296
Net position - governmental activities	\$ 21,689,898

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

CITY OF PERRYTON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General	Capital Projects	Total Non-major Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	\$ 2,361,817	\$ -	\$ -	\$ 2,361,817
Sales and use	2,400,995	-	-	2,400,995
Franchise	566,014	-	-	566,014
Hotel/Motel	-	-	282,797	282,797
Alcoholic beverage	15,566	-	-	15,566
Licenses and permits	8,665	-	-	8,665
Intergovernmental	777,339	-	-	777,339
Charges for services	355,124	-	-	355,124
Fines and forfeitures	35,479	-	-	35,479
Recreation fees	229,935	-	-	229,935
Investment earnings	567,144	139,515	7,473	714,132
Rents and leases	21,222	-	-	21,222
Miscellaneous	107,424	-	12,391	119,815
	<u>7,446,724</u>	<u>139,515</u>	<u>302,661</u>	<u>7,888,900</u>
Total revenues				
	<u>7,446,724</u>	<u>139,515</u>	<u>302,661</u>	<u>7,888,900</u>
EXPENDITURES				
Current:				
General government	65,804	-	-	65,804
Administration	788,525	-	-	788,525
City Hall	121,389	-	-	121,389
Public safety:				
Police	2,097,857	-	-	2,097,857
Fire	1,004,895	-	-	1,004,895
Street	1,034,654	-	-	1,034,654
Engineering	210,183	-	-	210,183
Culture and recreation:				
Parks and recreation	598,011	-	-	598,011
Golf course	597,561	-	-	597,561
Promotion and tourism	-	-	317,485	317,485
Code enforcement	124,093	-	-	124,093
Insect control	30,548	-	-	30,548
Capital outlay	710,229	-	-	710,229
	<u>7,383,749</u>	<u>-</u>	<u>317,485</u>	<u>7,701,234</u>
Total expenditures				
	<u>7,383,749</u>	<u>-</u>	<u>317,485</u>	<u>7,701,234</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>62,975</u>	<u>139,515</u>	<u>(14,824)</u>	<u>187,666</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	689,065	-	-	689,065
Transfers out	(36,550)	-	-	(36,550)
	<u>652,515</u>	<u>-</u>	<u>-</u>	<u>652,515</u>
Total other financing sources (uses)				
	<u>652,515</u>	<u>-</u>	<u>-</u>	<u>652,515</u>
NET CHANGE IN FUND BALANCES	<u>715,490</u>	<u>139,515</u>	<u>(14,824)</u>	<u>840,181</u>
FUND BALANCES - BEGINNING	<u>7,823,696</u>	<u>2,770,213</u>	<u>572,501</u>	<u>11,166,410</u>
FUND BALANCES - ENDING	<u>\$ 8,539,186</u>	<u>\$ 2,909,728</u>	<u>\$ 557,677</u>	<u>\$ 12,006,591</u>

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

CITY OF PERRYTON, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds:	\$ 840,181
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	
This is the amount by which capital outlays, \$710,229, exceeded depreciation, \$542,986, in the current period.	167,243
In the Statement of Activities, only the gain and loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed of.	(640,732)
Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. This amount represents the change in unavailable revenue.	1,589
Changes in pension and OPEB related liabilities, outflows, and inflows reported in the government-wide Statement of Activities are not reported in the governmental funds as revenues or expenditures.	(65,732)
Accrued compensated absences and other post employment benefit obligations are not reported as an expenditure in the governmental funds. This is the change in the accrual amounts for the year reported in the government-wide Statement of Activities.	(9,202)
Internal service funds are used by management to charge the costs of maintenance to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities. The total change in net position of the internal service fund (\$746,744) less the amount charged to business-type activities (\$305,592) is the amount of the internal service fund charged to governmental activities.	441,152
Change in net position - governmental activities	\$ 734,499

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

CITY OF PERRYTON, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,042,031	\$ 3,677,189
Investments	2,350,000	300,000
Restricted cash - utility and bond projects	90,377	-
Restricted cash - customer deposits	580,669	-
Receivables, net	859,777	17,725
Due from other funds	60,141	-
Due from other governments	187,921	-
Inventories	294	161,333
Total current assets	<u>7,171,210</u>	<u>4,156,247</u>
Noncurrent assets:		
Capital assets:		
Land	1,552,793	55,482
Construction in progress	1,252,067	-
Buildings and improvements	293,009	-
Machinery and equipment	1,722,379	7,954,649
Infrastructure	21,882,925	270,395
Less accumulated depreciation	<u>(17,382,760)</u>	<u>(5,893,381)</u>
Total noncurrent assets	<u>9,320,413</u>	<u>2,387,145</u>
Total assets	<u>16,491,623</u>	<u>6,543,392</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions - TMRS	81,962	13,316
Pension economic/demographic losses	22,175	3,603
Pension deficient earnings	419,936	68,224
OPEB contributions	1,895	308
OPEB economic/demographic losses	831	135
OPEB assumption changes	<u>8,518</u>	<u>1,384</u>
Total deferred outflows of resources	<u>535,317</u>	<u>86,970</u>
		Continued

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

CITY OF PERRYTON, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
Continuation		
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 170,034	\$ 2,851
Accrued liabilities	61,662	9,626
Due to other funds	-	1,418
Accrued compensated absences	15,000	8,301
Customer deposits payable - restricted assets	580,669	-
Total current liabilities	827,365	22,196
Noncurrent liabilities:		
Accrued compensated absences	24,972	-
Accrued landfill post closure cost	236,078	-
Net pension liability - TMRS	503,802	81,849
Total OPEB liability	54,192	8,804
Total noncurrent liabilities	819,044	90,653
Total liabilities	1,646,409	112,849
DEFERRED INFLOWS OF RESOURCES		
Pension economic/demographic gains - TMRS	13,462	2,187
OPEB economic/demographic gains	2,656	432
OPEB assumption changes	20,677	3,359
Total deferred inflows of resources	36,795	5,978
NET POSITION		
Net investment in capital assets	9,320,413	2,387,145
Unrestricted	6,023,323	4,124,390
Total net position	15,343,736	<u>\$ 6,511,535</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise fund over time	<u>1,447,056</u>	
Net Position of business-type activities page 23	<u><u>\$ 16,790,792</u></u>	

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

CITY OF PERRYTON, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities <u>Utility</u>	Governmental Activities Internal Service <u>Service</u>
OPERATING REVENUES:		
Charges for Sales and Services:		
Water sales	\$ 1,279,724	\$ -
Sewer charges	554,571	-
Sanitation charges	1,316,940	-
Gas sales	3,871,962	-
Internal service charges	-	1,391,336
Miscellaneous	240,502	11,080
	<u>7,263,699</u>	<u>1,402,416</u>
Total operating revenues		
OPERATING EXPENSES:		
Service department	272,542	-
Sanitation department	1,363,003	-
Water department	852,620	-
Gas department	3,328,896	-
Wastewater department	535,734	-
Purchasing/warehouse department	-	293,194
Shop department	-	107,933
Depreciation	735,603	433,260
	<u>7,088,398</u>	<u>834,387</u>
Total operating expenses		
NET OPERATING INCOME	<u>175,301</u>	<u>568,029</u>
NON-OPERATING REVENUES (EXPENSES):		
Intergovernmental	361,156	-
Investment earnings	285,528	176,390
Gain on disposition of assets	-	300
	<u>646,684</u>	<u>176,690</u>
Total non-operating revenues (expenses)		
INCOME BEFORE GRANTS AND TRANSFERS	821,985	744,719
DEVELOPER CAPITAL CONTRIBUTIONS	27,140	-
TRANSFERS	<u>(654,541)</u>	<u>2,025</u>
CHANGE IN NET POSTION	194,584	746,744
NET POSITION - BEGINNING	<u>15,149,152</u>	<u>5,764,791</u>
NET POSITION - ENDING	<u>\$ 15,343,736</u>	<u>\$ 6,511,535</u>
Change in Net Position	\$ 194,584	
Adjustment for the net effect of the current year activity between the internal service fund and the business-type activity - water enterprise fund	<u>305,592</u>	
Changes in Net Position of business-type activities page 23	<u>\$ 500,176</u>	

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

CITY OF PERRYTON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 7,082,695	\$ -
Receipts for internal service charges	-	1,402,416
Payments to employees for salaries and benefits	(1,445,780)	(221,677)
Payments to suppliers and service providers	(4,191,228)	(191,177)
Payments for inter-fund services used	(523,131)	-
	<u>922,556</u>	<u>989,562</u>
Net cash provided by operating activities		
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers to other funds	(654,541)	2,025
Changes in inter-fund receivables/payables	(72,355)	(655)
Operating grants	361,156	-
	<u>(365,740)</u>	<u>1,370</u>
Net cash provided / (used) by noncapital financing activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition or construction of capital assets	(1,428,589)	(1,260,522)
Proceeds from sale of capital assets	-	300
	<u>(1,428,589)</u>	<u>(1,260,222)</u>
Net cash used by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchased investments	(1,200,000)	-
Interest on investments	285,528	164,679
	<u>(914,472)</u>	<u>164,679</u>
Net cash provided / (used) by investing activities		
NET INCREASE / (DECREASE) IN CASH	(1,786,245)	(104,611)
CASH AND CASH EQUIVALENTS, BEGINNING (including restricted amounts)	<u>5,499,322</u>	<u>3,781,800</u>
CASH AND CASH EQUIVALENTS, ENDING, (including restricted amounts)	<u><u>\$ 3,713,077</u></u>	<u><u>\$ 3,677,189</u></u>
		Continued

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

CITY OF PERRYTON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities	Governmental Activities
	Utility	Internal Service
Continuation		
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 175,301	\$ 568,029
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation and amortization	735,603	433,259
Loss on disposition of assets	840	-
Changes in assets:		
(Increase) decrease in accounts receivable	14,738	-
(Increase) decrease in due from other governments	(187,921)	-
(Increase) decrease in inventories	(294)	(18,404)
(Increase) decrease in net pension asset	336,837	56,280
Changes in deferred outflows:		
(Increase) decrease in deferred outflows of resources	(425,520)	(68,624)
Changes in liabilities:		
Increase (decrease) in accounts payable	123,681	1,006
Increase (decrease) in accrued wages payable	25,155	-
Increase (decrease) in accrued expenses	18,314	1,777
Increase (decrease) in net pension liability	503,802	81,849
Increase (decrease) in total OPEB liability	(18,474)	(3,337)
Increase (decrease) in customer deposits	(7,821)	-
Changes in deferred inflows:		
Increase (decrease) in deferred inflows of resources	(371,685)	(62,273)
Net cash provided by operating activities	<u>\$ 922,556</u>	<u>\$ 989,562</u>

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

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Description of Reporting Entity

The City of Perryton, Texas (the “City”) was incorporated on May 20, 1920, under the provisions of the State of Texas. The City operates under a Council-Manager form of government and provides the following services as authorized by the state: public safety (police, code enforcement and fire), streets, culture-recreation, public improvements, and general administrative services. Other services include sanitation services, and water, gas and sewer utilities.

Discretely Presented Component Unit: The Community Development Corporation of Perryton (CDC) is a separate legal corporation created in 1994 after local taxpayers in an election approved a ½ cent economic development sales tax. The purpose of the CDC is to promote and develop industrial, manufacturing and other economic enterprises in order to eliminate unemployment and to enhance the public welfare of, for and on behalf of the City. The CDC is governed by a Board of Directors appointed by the City Council. The operating budget of the CDC is subject to the approval of the City Council.

Complete financial statements of the Community Development Corporation of Perryton can be obtained from their administrative offices as follows:

Community Development Corporation of Perryton
100 South Ash
Perryton, Texas 79070

B. Basis of Presentation – Government-wide Financial Statements

The statement of net position and the statement of activities include the financial activities of the overall government. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the government has one discretely presented component unit. While it is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. An exception to this general rule would be charges between enterprise funds and the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

C. Basis of Presentation – Fund Financial Statements

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for and reports all financial resources of the City except those required to be accounted for and reported in another fund.

Capital Projects Fund: The Capital Improvement Fund is used to account for and report the construction of the capital improvements. These are financed with City resources.

The City reports the following major enterprise fund:

The Utility Fund is to account for and report operations that are intended to be self-supporting through user charges. The fund is to account for the operations of the utilities furnished by the City to its residents.

In addition, the City reports the following fund types:

Internal Service Funds: These funds are used to account for and report revenues and expenses related to fleet management and supply services provided to parties inside the City. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the City's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Special Revenue Funds: These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

C. Basis of Presentation – Fund Financial Statements – Continuation

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

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

D. Measurement Focus and Basis of Accounting

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

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Property taxes are recognized in the fiscal year for which the taxes are levied. Grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as they are both measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they generally are not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the City incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the City's policy to use restricted resources first, then unrestricted resources.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

E. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Capital Projects Fund, and the Hotel/Motel Occupancy Tax Fund.

The appropriate budget is prepared by fund and department, which is the legal level of budgetary control.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
Expenditures exceeded the budget in various departments of the General Fund.	A combination of underspending in other departments have covered such overspending.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Investments

Investments in certificate of deposit are valued at cost as they are nonparticipating investments in which the value does not vary with market interest rate changes.

c. Receivable and Payable Balances

The City believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

d. Inventories

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

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance – Continuation

e. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Land is not depreciated. The other property, plant, equipment, and infrastructure assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	10-50 years
Machinery and equipment	3-30 years
Infrastructure	10-50 years

f. Impairments

The City evaluates prominent events or changes in circumstances that affect capital assets to determine whether impairment of capital assets has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The City will consider an asset impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life-cycle of the capital asset. The City will recognize an impairment loss when the City considers a capital asset impaired and will recognize the capital asset at the lower of carrying value or fair value.

g. Inter-fund Activity

Inter-fund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on government-wide statement of activities. Similarly, inter-fund receivables and payables are netted and presented as a single "Internal Balances" line of government-wide statement of net position.

h. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance – Continuation

i. Debt Issuance Costs

The costs of issuing bonded debt or certificates of obligation for proprietary fund types are expensed as incurred.

j. Bond Premium

The premium received on certificates of obligation is reported as a liability and amortized over the life of the bonds using the effective interest method.

k. Deferred Outflows/Inflows of Resources

The statement of financial position reports 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 reports the applicable amounts as deferred outflows as they relate to the implementation of GASB 68 and 75 for contributions paid after the measurement date, deficiency of earnings, economic losses, and assumption changes in the plans after the measurement date of the pension and OPEB plans.

The statement of financial position reports 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 multiple items that qualify for reporting in this category. One item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The City reports unavailable revenues from property taxes and municipal court receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are related to the City's pension and other postemployment benefit plans reported in the government-wide statement of net position.

l. Pensions and Other Post-Employment Benefits

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's Texas Municipal Retirement System Plan and the Texas Emergency Services Retirement System, and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the other post-employment benefit (OPEB) asset or liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Texas Municipal Retirement System Supplemental Death Plan and the Texas Municipal League Health Benefits Plan, and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance – Continuation

m. Net Position

In government-wide financial statements, net position is classified and displayed in three categories:

Net Investment in Capital Assets – this amount 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.

Restricted – this amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, or constitutional provisions.

Unrestricted – this amount includes all amounts that comprise net position that do not meet the definition of “net investment in capital assets” or “restricted”.

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

n. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Non-spendable fund balance – (inherently not spendable)

Includes amounts that will never convert to cash or will not convert to cash in the current period, such as inventory, supplies, long-term portion of loans and non-financial assets held for resale or principal of an endowment.

Restricted fund balance – (externally enforceable limitations on use)

Includes amounts that can be spent only for specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants, court receipt restrictions (municipal technology fund) or charter restrictions.

Committed fund balance – (self-imposed limitations)

Includes amounts that can be used for the specific purposes determined by a formal action of the City Council in form of a resolution. Commitments may be changed or lifted only by taking the same formal action that imposed the constraints originally.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance – Continuation

n. Fund Balance – Continuation

Assigned fund balance – (limitation resulting from management’s intended use)

Comprises amounts intended to be used for a specific purpose, as expressed by City Council, by a designated official or committee. By adopting this policy the City Council has hereby authorized the City Manager as the official to assign fund balance to a specific purpose. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed, as it is intended to be used for the purpose of that fund.

Unassigned fund balance – (residual net resources)

This is the excess of total fund balance over non-spendable, restricted, committed, and assigned fund balance. Unassigned amounts are technically available for any purpose.

Order of Expenditure of Funds:

When multiple categories of fund balances are available for expenditure (for example, a construction project is funded partly by grant money, funds set aside by the City Council, and unassigned fund balance) the City will start with the most restricted category first until depleted before moving to the next category with available funds. Spendable fund categories in order of most restricted to least restricted are: Restricted, Committed, Assigned, and Unassigned.

Minimum Unassigned Fund Balance:

It is the goal of the City of Perryton to achieve and maintain a minimum unassigned fund balance in the general fund to ensure that there will be adequate liquid resources in the event of unanticipated circumstances and events. The minimum unassigned fund balance is set at 25% of budgeted expenditures for the fiscal year, providing for approximately 90 days of estimated expenditures. The general fund is the only fund that reports a positive unassigned fund balance amount.

Designated Circumstances:

The minimum unassigned fund balance may be spent under the following extreme circumstances:

1. Natural disasters, including but not limited to tornados, fire or flood.
2. Opportunities for a grant in which the matching portion may require a portion of the minimum unassigned fund balance.
3. Shortfall in the budgeted revenue in excess of 20%
4. Unforeseeable expenditures in excess of 20% over budget.
5. When unforeseen circumstances or emergencies in another fund require a fund transfer from the general fund.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance – Continuation

n. Fund Balance – Continuation

Replenishment of Minimum Unassigned Fund Balance:

1. When designated circumstances have reduced the unassigned fund balance below the targeted minimum level, the replenishment is to occur within 12 months.
2. Depending on the severity of the reduction of the minimum unassigned fund balance the following measures will be taken to replenish the minimum unassigned fund balance:
 - a) Should calculations reveal that the minimum unassigned fund balance will be replenished through normal activity within the next 12 months no action is necessary
 - b) Reduction of expenditures
 - c) Delay of capital purchases
 - d) Increase in fees and/or taxes
 - e) Salary freeze
 - f) Hiring freeze

Fund Balance Policies:

The City's highest level of decision-making authority is the City Council, and the commitment of fund balance would require formal action or order of the Council. The Council has not yet delegated the authority to assign fund balance amounts to a specific individual nor does it have a policy to authorize the assignment of fund balance.

G. Revenues and Expenditures/Expenses

a. Program Revenues

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or program. All taxes are reported as general revenues rather than as program revenues.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

G. Revenues and Expenditures/Expenses – Continuation

c. Compensated Absences

City employees are entitled to certain compensated absences based on their length of employment. Commencing after six months of service, all employees are entitled to annual vacations of two to four weeks. An employee may carry over to a succeeding year at the employment anniversary date a maximum of the current year's allowable vacation days based on years of employment. Upon termination or retirement, the employee will be paid for unused vacation time of the previous year plus earned vacation time for the current year to date. The accumulated liability for accrued vacations amounted to \$179,186 at September 30, 2023. Compensated absences for sick leave do not vest or accumulate and are not paid upon termination or retirement.

d. Proprietary Funds Operating and Non-operating Revenues and Expenses

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

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

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS

Following is a reconciliation of the City's cash and deposit balances as of September 30, 2023:

Cash and deposit balances consist of:

Petty cash funds	\$ 1,100
Bank deposits	6,628,236
Certificates of deposit (interest rates at 5.48 - 6.20%)	<u>13,853,212</u>
 Total	 <u><u>\$ 20,482,548</u></u>

Cash and deposit balances are reported in the basic financial statements as follows:

Government-wide Statement of Net Position:

Unrestricted	\$ 16,224,258
Restricted	671,046
Component unit	<u>3,587,244</u>
 Total	 <u><u>\$ 20,482,548</u></u>

Custodial credit risk – deposits and investments. As of September 30, 2023 the carrying amount of the City's deposits (cash, interest bearing accounts and certificates of deposit) with financial institutions was \$28,156,448, which included \$7,675,000 of certificates of deposit classified as investments. The total of the accounts' bank balance was \$28,577,790. Of the bank balance, \$500,000 was insured through the Federal Depository Insurance Corporation (FDIC) and \$28,077,790 was collateralized with securities held by the pledging of institution's agent in the City's name.

The depository makes no distinction between the City and its component unit when pledging securities.

Interest rate risk is the risk that adverse changes in interest rates will result in an adverse effect on the fair value of an investment. The City manages its exposure to interest rate risk by limiting the weighted average maturity of its investment portfolio to three years or less.

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. State law and City policy limit investments in local government pools to those rated to no lower than AAA or an equivalent rating by at least on nationally recognized rating service.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of September 30, 2023, 76% of the City's carrying value of cash was comprised of certificates of deposits that are deposited with the City's banks and adequately secured as described above.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS – Continuation

Investment Accounting Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by the other factors, it is reported at fair value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investments value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts. The City's only investments are certificates of deposit which are carried as part of deposits.

Following is a reconciliation of the City's investment balances as of September 30, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Certificates of deposit		
Governmental activities (interest rates at 6.01 - 6.20%)	\$ 3,675,000	124
Business-Type activities (interest rates at 5.98 - 6.18%)	2,350,000	112
Component Unit (interest rates at 5.62 - 6.20%)	<u>1,650,000</u>	<u>126</u>
Total fair value	<u>\$ 7,675,000</u>	
Portfolio weighted average maturity		<u>121</u>

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3 – CAPITAL ASSETS

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

Primary Government:

<u>Governmental activities:</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers / Reclassifications</u>	<u>Ending Balances</u>
Capital assets not being depreciated:					
Land	\$ 374,007	\$ 11,990	\$ -	\$ -	\$ 385,997
Total capital assets not being depreciated	374,007	11,990	-	-	385,997
Capital assets being depreciated:					
Buildings and Improvements	9,898,688	259,090	(1,505,471)	-	8,652,307
Machinery and Equipment	8,878,118	1,699,671	(337,929)	-	10,239,860
Infrastructure	5,002,555	-	-	-	5,002,555
Total capital assets being depreciated	23,779,361	1,958,761	(1,843,400)	-	23,894,722
Less accumulated depreciating for:					
Buildings and Improvements	(5,985,220)	(358,639)	899,333	-	(5,444,526)
Machinery and Equipment	(6,987,239)	(565,689)	303,336	-	(7,249,592)
Infrastructure	(4,208,909)	(51,917)	-	-	(4,260,826)
Total accumulated depreciation	(17,181,368)	(976,245)	1,202,669	-	(16,954,944)
Total capital assets being depreciated, net	6,597,993	982,516	(640,731)	-	6,939,778
Governmental activities capital assets, net	<u>\$ 6,972,000</u>	<u>\$ 994,506</u>	<u>\$ (640,731)</u>	<u>\$ -</u>	<u>\$ 7,325,775</u>

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

Governmental activities:	
City hall	\$ 64,679
Public safety:	
Police	50,385
Fire	84,850
Street	53,196
Engineering	1,500
Culture and recreation:	
Parks and recreation	229,703
Golf course	21,243
Airport	37,430
Capital assets held by the government's internal service funds	433,259
Total depreciation expense-governmental activities	<u>\$ 976,245</u>

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3 – CAPITAL ASSETS – Continuation

Impairment of capital assets

An impairment loss of \$582,133 has been recognized on the Statement of Activities in the City Hall function due to the damage suffered by the City Hall building during the June 15, 2023 tornado. The impairment loss was calculated using the restoration cost approach. In the future the costs associated with the restoration of City Hall will be added to the new carrying value after the impairment. As of September 30, 2023, there have been no significant costs incurred for the restoration.

<u>Business-type activities:</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers / Reclassification</u>	<u>Ending Balances</u>
Capital assets not being depreciated:					
Land	\$ 1,552,793	\$ -	\$ -	\$ -	\$ 1,552,793
Construction in progress	365,810	886,257	-	-	1,252,067
Total capital assets not being depreciated	1,918,603	886,257	-	-	2,804,860
Capital assets being depreciated:					
Buildings and Improvements	293,009	-	-	-	293,009
Machinery and Equipment	1,435,706	464,115	(177,442)	-	1,722,379
Infrastructure	22,001,987	105,357	(224,419)	-	21,882,925
Total capital assets being depreciated	23,730,702	569,472	(401,861)	-	23,898,313
Less accumulated depreciation for:					
Buildings and Improvements	(249,448)	(11,992)	-	-	(261,440)
Machinery and Equipment	(1,090,736)	(88,525)	177,442	-	(1,001,819)
Infrastructure	(15,707,994)	(635,086)	223,579	-	(16,119,501)
Total accumulated depreciation	(17,048,178)	(735,603)	401,021	-	(17,382,760)
Total capital assets being depreciated, net	6,682,524	(166,131)	(840)	-	6,515,553
Business-type activities capital assets, net	\$ 8,601,127	\$ 720,126	\$ (840)	\$ -	\$ 9,320,413

The only function of the business-type activities of the primary government is the utility fund and all depreciation was charged to that function.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3 – CAPITAL ASSETS – Continuation

<u>Component Unit:</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers / Reclassification</u>	<u>Ending Balances</u>
Capital assets not being depreciated:					
Land	\$ 1,914,383	\$ 378,309	\$ -	\$ -	\$ 2,292,692
Total capital assets not being depreciated	1,914,383	378,309	-	-	2,292,692
Capital assets being depreciated:					
Buildings and Improvements	753,026	597,281	(200,962)	-	1,149,345
Machinery and Equipment	11,325	-	(11,325)	-	-
Total capital assets being depreciated	764,351	597,281	(212,287)	-	1,149,345
Less accumulated depreciation for:					
Buildings and Improvements	(189,953)	(42,374)	130,547	-	(101,780)
Machinery and Equipment	(9,688)	(418)	10,106	-	-
Total accumulated depreciation	(199,641)	(42,792)	140,653	-	(101,780)
Total capital assets being depreciated, net	564,710	554,489	(71,634)	-	1,047,565
Component Unit capital assets, net	<u>\$ 2,479,093</u>	<u>\$ 932,798</u>	<u>\$ (71,634)</u>	<u>\$ -</u>	<u>\$ 3,340,257</u>

The only function of the component unit is the economic development and all depreciation was charged to that function.

NOTE 4 – INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS

The primary purpose of inter-fund receivables and payables is the loaning of funds from the Utility Fund to Special Revenue Funds for the purpose of meeting current year expenditures. Included in the Inter-Fund receivable and payable is the cumulative Internal Service Fund allocations of its equity amounting to \$1,447,055 between the General and Utility Funds.

<u>Fund</u>	<u>Inter-fund Receivables</u>	<u>Inter-fund Payables</u>
General Fund	\$ 1,418	\$ 60,139
Special Revenue Funds:		
Park Improvements Fund	-	2
Proprietary Fund - Utility Fund	60,141	-
Internal Service Funds:		
City Service	-	1,418
	<u>\$ 61,559</u>	<u>\$ 61,559</u>

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS – Continuation

Fund	Inter-fund Transfers In	Inter-fund Transfers Out
General Fund	\$ 689,065	\$ 36,550
Proprietary Fund - Utility Fund	34,524	689,065
	<u>\$ 723,589</u>	<u>\$ 725,615</u>

The primary purpose of inter-fund transfers is the supplementing of General Fund operations with excess revenues earned in the Utility Fund.

NOTE 5 – LONG-TERM DEBT

1. Long-Term Debt Activity

Changes in long-term obligations for the year ended September 30, 2023, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Net Pension Liability-TMRS	\$ -	\$ 1,579,855	\$ -	\$ 1,579,855	\$ -
Net Pension Liability-TESRS	36,107	91,497	-	127,604	-
Total OPEB Liability	254,957	-	(85,020)	169,937	-
Compensated absences	124,289	139,982	(131,785)	132,486	62,000
	<u>\$ 415,353</u>	<u>\$ 1,811,334</u>	<u>\$ (216,805)</u>	<u>\$ 2,009,882</u>	<u>\$ 62,000</u>
Governmental activity long-term liabilities	<u>\$ 415,353</u>	<u>\$ 1,811,334</u>	<u>\$ (216,805)</u>	<u>\$ 2,009,882</u>	<u>\$ 62,000</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Landfill closure costs	\$ 217,764	\$ 18,314	\$ -	\$ 236,078	\$ -
Net Pension Liability-TMRS	-	503,802	-	503,802	-
Total OPEB Liability	72,666	-	(18,474)	54,192	-
Compensated absences	36,386	50,689	(47,103)	39,972	15,000
	<u>\$ 326,816</u>	<u>\$ 572,805</u>	<u>\$ (65,577)</u>	<u>\$ 834,044</u>	<u>\$ 15,000</u>
Business-type activity long-term liabilities	<u>\$ 326,816</u>	<u>\$ 572,805</u>	<u>\$ (65,577)</u>	<u>\$ 834,044</u>	<u>\$ 15,000</u>

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5 – LONG-TERM DEBT – Continuation

Component Unit:

Net Pension Liability-TMRS	\$ -	\$ 69,262	\$ -	\$ 69,262	\$ -
Total OPEB Liability	8,789	-	(1,339)	7,450	-
Compensated absences	<u>2,265</u>	<u>6,729</u>	<u>(2,266)</u>	<u>6,728</u>	<u>2,265</u>
Governmental activity long-term liabilities	<u>\$ 11,054</u>	<u>\$ 75,991</u>	<u>\$ (3,605)</u>	<u>\$ 83,440</u>	<u>\$ 2,265</u>

The liability for compensated absences, net pension liability – TMRS, and total OPEB liability will be liquidated by the General Fund, the Utility Fund, and the Community Development Corporation component unit. The liability for the net pension liability – TESRS will be liquidated entirely by the General Fund.

NOTE 6 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the fiscal year ended 2023, the City obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool (“TML”). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for its insurance coverage described above. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded in any of the past three fiscal years.

NOTE 7 – EMPLOYEE RETIREMENT BENEFITS

A. AGENT MULTIPLE – EMPLOYER PLAN

Plan Description:

The City provides pension benefits for all of its, and its discretely presented component unit’s, full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations for of the contributions, benefits, and actuarial methods and assumptions used by the System. This report may be obtained from TMRS’ website at www.TMRS.com.

Continued

**CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 – EMPLOYEE RETIREMENT BENEFITS – Continuation

A. AGENT MULTIPLE – EMPLOYER PLAN – Continuation

Benefits Provided:

The plan provisions are adopted by the governing body of the City (employer), within the options available in the Texas state statutes governing TMRS. Members can retire at ages 60 and above with 5 or more years of service (10 years in some cities) or with 20-25 years of service regardless of age (depending on the city's plan chosen). Members are vested after 5 years of service (10 years for some cities).

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the City within the actuarial constraints imposed by TMRS so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by TMRS.

Employees Covered by Benefit Terms:

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

Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits	58
Active employees	72

Contributions:

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2014 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e., the December 31, 2021 valuation will determine the contribution rate beginning January 1, 2023).

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – EMPLOYEE RETIREMENT BENEFITS – Continuation

A. AGENT MULTIPLE – EMPLOYER PLAN – Continuation

The City contributed using the actuarially determined rate of 10.07% plus an additional 1.80% for the months of the accounting year in 2022 and the actuarially determined rate of 9.79% plus an additional 1.89% for the months of the accounting year in 2023. The contribution rate payable by the employee members is 7.0% for fiscal year 2023 as adopted by the governing body of the City. The employee contribution rate and the employer contribution rate may be changed by the governing body of the City.

Net Pension Liability:

The City's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.5% to 11.5% including inflation
Investment rate of return	6.75%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial assumptions that determined the total pension liability as of December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2014 – December 31, 2018, except where required to be different by GASB 68.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – EMPLOYEE RETIREMENT BENEFITS – Continuation

A. AGENT MULTIPLE – EMPLOYER PLAN – Continuation

Discount Rate:

The discount rate used to measure the total pension liability was 6.75%. The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternatives methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under TMRS.

1. TMRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under TMRS, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – EMPLOYEE RETIREMENT BENEFITS – Continuation

A. AGENT MULTIPLE – EMPLOYER PLAN – Continuation

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes.

Changes in the Net Pension Liability / (Asset):

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2021	\$ 26,676,679	\$ 28,236,091	\$ (1,559,412)
Changes for the year:			
Service cost	593,255	-	593,255
Interest (on total pension liability)	1,769,591	-	1,769,591
Changes of benefit terms	-	-	-
Difference between expected and actual experience	38,561	-	38,561
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(1,514,283)	(1,514,283)	-
Contributions - employer	-	468,525	(468,525)
Contributions - employee	-	276,300	(276,300)
Net investment income	-	(2,059,197)	2,059,197
Administrative expenses	-	(17,836)	17,836
Other	-	21,284	(21,284)
Balances as of December 31, 2022	<u>\$ 27,563,803</u>	<u>\$ 25,410,884</u>	<u>\$ 2,152,919</u>

Of the Net Pension Liability, \$2,083,657 is allocated to the primary government and the remaining \$69,262 is allocated to the discretely presented component unit. The allocation is based on the percent of employer's contributions related to each employee.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – EMPLOYEE RETIREMENT BENEFITS – Continuation

A. AGENT MULTIPLE – EMPLOYER PLAN – Continuation

Sensitivity of the Net Pension Liability / (Asset) to changes in the discount rate:

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

	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
Net pension liability / (asset) - Primary Government	\$ 5,513,444	\$ 2,083,657	\$ (750,514)
Net pension liability / (asset) - Component Unit	\$ 183,270	\$ 69,262	\$ (24,948)

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued TMRS financial report.

Pension Expense / (Income):

	January 1, 2022 to December 31, 2022
Total service cost	\$ 593,255
Interest on total pension liability	1,769,591
Current period benefit changes	-
Employee contributions (reduction of expense)	(276,300)
Projected earnings on plan investments (reduction of expenses)	(1,905,936)
Administrative expenses	17,836
Other changes in fiduciary net position	(21,284)
Recognition of current year outflows (inflows) of resources - liabilities	11,018
Recognition of current year outflows (inflows) of resources - assets	793,027
Amortization of prior year outflows (inflows) of resources - liabilities	(96,604)
Amortization of prior year outflows (inflows) of resources - assets	(303,994)
Total pension expense	\$ 580,609

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – EMPLOYEE RETIREMENT BENEFITS – Continuation

A. AGENT MULTIPLE – EMPLOYER PLAN – Continuation

Deferred Inflows / Outflows of Resources:

As of September 30, 2023, the deferred inflows and outflows of resources are as follows:

	Primary Government		Component Unit	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 55,677	\$ 91,714	\$ 1,851	\$ 3,049
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings	-	1,736,801	-	57,733
Contributions made subsequent to measurement date	N/A	338,984	N/A	11,268

The deferred inflows and outflows are allocated between the primary government and the discretely presented component unit based on the percent of employer's contributions related to each employee.

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

	Primary Government	Component Unit
For the year ending September 30:		
2023	\$ 81,421	\$ 2,707
2024	457,291	15,203
2025	466,608	15,513
2026	767,518	25,508
2027	-	-
Thereafter	-	-

B. COST-SHARING MULTIPLE – EMPLOYER

Plan Description:

The Texas Emergency Services Retirement System (TESRS) administers a cost-sharing multiple employer pension system (the System) established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. Direct financial activity for the System is classified in the financial statements as pension trust funds. The System issues a stand-alone financial report that is available at www.tesrs.org.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – EMPLOYEE RETIREMENT BENEFITS – Continuation

B. COST-SHARING MULTIPLE – EMPLOYER – Continuation

Of the nine member state board of trustees, at least five trustees must be active members of the pension system, one of whom must represent emergency medical services personnel. One trustee may be a retiree of the pension system, and three trustees must be persons who have experience in the fields of finance, securities investment, or pension administration. At August 31, 2022, there were 184 contributing fire and/or emergency service department members participating in TESRS.

Eligible participants include volunteer emergency services personnel who are members in good standing of a member department.

Benefits Provided:

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions, and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount and continuing monthly payments to a member's surviving spouse and dependent children.

Covered Membership

On August 31, 2022, the pension system membership consisted of:

Terminated members entitled to but not yet receiving benefits	-
Active participants	13

Funding Policy:

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities.

The state is required to contribute an amount necessary to make the System "actuarially sound" each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – EMPLOYEE RETIREMENT BENEFITS – Continuation

B. COST-SHARING MULTIPLE – EMPLOYER – Continuation

The board rule defining contributions was amended in 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the state are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percent of the Part One portion (not to exceed 15%), is to be actuarially adjusted every two years based on the most recent actuarial valuation. Based on the August 31, 2022 actuarial valuation, the Part Two contributions were not required for an adequate contribution arrangement.

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to ten years of credit for service per member. Prior service purchased must have occurred before the department began participation in the System.

A small subset of participating departments has a different contribution arrangement which is being phased out over time. In this arrangement, contributions made in addition to the monthly contributions for active members, are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when their respective departments merged into the System. There is no actuarial impact associated with this arrangement as the pay-as-you-go contributions made by these governing bodies are always equal to the benefit payments paid by the System.

Contributions Required and Contributions Made:

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions were set by board rule, and there is no maximum contribution rate. For the fiscal year ending August 31, 2022, total contributions (dues and prior service, and interest on financing of prior service) of \$4,049,093 were paid into TESRS by the political subdivisions served by the member volunteer emergency services personnel. The state appropriated \$1,262,763 for the fiscal year ending August 31, 2022. The City's share of those contributions amounted to \$17,640.

The purpose of the biennial actuarial valuation is to determine if the contribution arrangement is adequate to pay the benefits that are promised. Actuarial assumptions are disclosed below.

The most recently completed biennial actuarial valuation as of August 31, 2022 stated that TESRS has an adequate contribution arrangement for the benefit provisions recognized in the valuation based on the expected total contributions, including the expected contributions both from the governing body of each participating department and from the state. The expected contributions from the state are state appropriations equal to (1) the maximum annual contribution (one-third of all contributions to TESRS by governing bodies of participating departments in a year) as needed in accordance with state law governing TESRS and (2) approximately \$675,000 each year to pay for part of the System's administrative expenses.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – EMPLOYEE RETIREMENT BENEFITS – Continuation

B. COST-SHARING MULTIPLE – EMPLOYER – Continuation

Net Pension Liability:

The City's portion of the net pension liability was measured as of August 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2022.

Total Pension Liability	\$ 514,318
Fiduciary Net Position	<u>386,715</u>
City's Net Pension Liability	<u><u>\$ 127,604</u></u>
Fiduciary net position as a percentage of the total pension liability	75.2%

Actuarial Assumptions

The total pension liability in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	N/A
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projection scale MP-2019.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – EMPLOYEE RETIREMENT BENEFITS – Continuation

B. COST-SHARING MULTIPLE – EMPLOYER – Continuation

The long-term rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components 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 (currently 4.61%) and by adding expected inflation (3.00%). In addition, the final 7.5% assumption was selected by rounding down. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Net Real Rate of Return
Equities		
Large cap domestic	20%	5.83%
Small/mid cap domestic	10%	5.94%
Developed international	15%	6.17%
Emerging markets	5%	7.36%
Global infrastructure	5%	6.61%
Real estate	10%	4.48%
Multi asset income	5%	3.86%
Fixed income	30%	1.95%
Cash	0%	0.00%
Total	100%	
Weighted average		4.61%

Discount Rate:

The discount rate used to measure the total pension liability was 7.50%. No projection of cash flows was used to determine the discount rate because the August 31, 2022 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – EMPLOYEE RETIREMENT BENEFITS – Continuation

B. COST-SHARING MULTIPLE – EMPLOYER – Continuation

Sensitivity of the Net Pension Liability to changes in the discount rate:

The following presents the City's share net pension liability, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Net pension liability	200,175	127,604	68,836

Pension Expense:

	Year Ended August 31, 2022
	<u>\$</u>
Service cost	4,840
Interest	35,749
Projected earnings on investments	(33,346)
Amortization of differences between projected and actual earnings on plan investments	10,268
Amortization of changes in assumptions	(427)
Amortization of differences between expected and actual experience	1,573
Changes in benefit provisions	7,555
Administrative expenses	751
	<u>\$</u>
Pension expense / (income)	26,963

Deferred Inflows / Outflows of Resources:

As of September 30, 2023, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
	<u>\$</u>	<u>\$</u>
Differences between expected and actual experience	-	4,858
Changes of assumptions	642	-
Net difference between projected and actual earnings	-	45,307
Contributions made subsequent to measurement date	N/A	17,640

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – EMPLOYEE RETIREMENT BENEFITS – Continuation

B. COST-SHARING MULTIPLE – EMPLOYER – Continuation

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended August 31:		
2023	\$	14,976
2024		7,931
2025		8,912
2026		17,704
2027		-
Thereafter		-

All assumptions for the August 31, 2022 pension disclosure are contained in the August 31, 2022 Audited Annual Financial Report, a copy of which may be obtained at www.tesrs.texas.gov.

NOTE 8 – OTHER POST EMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

Plan Description

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Plan Benefits

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 postemployment benefit ("OPEB") and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated). The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

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CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 – OTHER POST EMPLOYMENT BENEFIT (OPEB) OBLIGATIONS – Continuation

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	35
Inactive employees entitled to but not yet receiving benefits	6
Active employees	72

Total OPEB Liability

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

Actuarial Assumptions:

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

All actuarial assumptions that determined the total OPEB liability as of December 31, 2022 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.

For calculating the OPEB liability and the OPEB contribution rates, the 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 by Scale UMP to account for future mortality improvements.

Discount Rate

The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to employer's yearly contributions for retirees. In accordance with paragraph 155, the applicable discount rate for an unfunded OPEB is based on an index of tax exempt 20-year municipal bond rates rated AA or higher. As of December 31, 2022, the discount rate used in development of the Total OPEB Liability was 4.05% compared to 1.84% as of December 31, 2021.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 – OTHER POST EMPLOYMENT BENEFIT (OPEB) OBLIGATIONS – Continuation

Changes in the Total OPEB Liability:

	Changes in Total OPEB Liability
Balances as of December 31, 2020	\$ 336,412
Changes for the year:	
Service cost	9,868
Interest on total OPEB liability	6,201
Changes of benefit terms	-
Effect of economic/demographic experience	(7,158)
Effect of assumptions changes or inputs	(105,060)
Benefit payments	(8,684)
Other	-
Balances as of December 31, 2021	\$ 231,579

Of the Total OPEB Liability, \$224,129 is allocated to the primary government and the remaining \$7,450 is allocated to the discretely presented component unit. The allocation is based on the percent of employer's contributions related to each employee.

Sensitivity of the net pension liability / (asset) to changes in the discount rate

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 4.05%, as well as the what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.05%) or 1 percentage point higher (5.05%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease 3.05%	Current Single Rate Assumption 4.05%	1% Increase 5.05%
Total OPEB liability / (asset) - Primary Government	\$ 263,187	\$ 224,129	\$ 193,272
Total OPEB liability / (asset) - Component Unit	\$ 8,748	\$ 7,450	\$ 6,424

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 – OTHER POST EMPLOYMENT BENEFIT (OPEB) OBLIGATIONS – Continuation

OPEB Expense / (Income)

	January 1, 2022 to December 31, 2022
Service cost	\$ 9,868
Interest on total OPEB liability	6,201
Changes in benefit terms including TMRS plan participation	-
Employer administrative costs	-
Recognition of deferred inflows/outflows of resources	
Differences between expected and actual experience	(3,174)
Changes in assumptions or other inputs (1)	(3,558)
Total OPEB expense	<u>\$ 9,337</u>

(1) Generally, this will only be the annual change in the municipal bond index rate.

Deferred Inflows / Outflows of Resources:

As of September 30, 2023, the deferred inflows and outflows of resources are as follows:

	Primary Government		Component Unit	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 10,987	\$ 3,437	\$ 365	\$ 114
Changes of assumptions	85,518	35,230	2,843	1,171
Net difference between projected and actual earnings	-	-	-	-
Contributions made subsequent to measurement date	N/A	7,836	N/A	260

The deferred inflows and outflows are allocated between the primary government and the discretely presented component unit based on the percent of employer's contributions related to each employee.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 – OTHER POST EMPLOYMENT BENEFIT (OPEB) OBLIGATIONS – Continuation

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

	Primary Government	Component Unit
Year ended December 31:		
2023	\$ (8,727)	\$ (290)
2024	(6,969)	(232)
2025	(13,716)	(456)
2026	(17,846)	(593)
2027	(10,580)	(352)
Thereafter	-	-

NOTE 9 – DEFERRED COMPENSATION PLAN

The City offers its employees an option to participate in U.S. Conference of Mayors Deferred Compensation Program (Plan) created in accordance with Internal Revenue Code (IRC Section 457). Previously, IRC Section 457 had required that all amounts deferred by the Plan's participants remain solely the property and rights of the sponsoring municipality, subject only to the claims of the municipality's general creditors. As such, the assets of the Plan were reflected at fair value within an agency fund.

IRC Section 457 was amended in 1996. The amendments require that in order to be considered an eligible plan, all assets and income of the Plan must be held in trust for the exclusive benefit of the participants and their beneficiaries. To comply with this requirement, the Plan entered into a trust and custody agreement with a third party to provide custodial services with respect to the assets of the Plan. Pursuant to GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, the assets of the Plan are no longer required to be reflected within an agency fund of the participating municipality. Accordingly, these amounts are not reflected in the financial statements.

NOTE 10 – ACCOUNTING FOR MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require that most cities place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure as required under Subtitle D.

The Texas Natural Resource Conservation Commission and the EPA granted arid exemptions to qualifying landfills which extended the deadline for compliance with Subtitle D until October 9, 1997. Arid exempt landfills were encouraged to cease operations prior to the October 9, 1997 deadline, therefore avoiding the costly requirement of Subtitle D relating to the 30 year post closure monitoring and maintenance. The City of Perryton qualified as an arid exempt landfill and prior to October 9, 1997, had designated the portion of their landfill used to that date closed and placed the final cover over that area. The City believes that the closed area of their landfill is not subject to the Subtitle D post closure requirements. The City has approximately 20.9 acres of undeveloped landfill area that it will continue to operate as a municipal solid waste landfill. The City's landfill was re-permitted in the 2015 fiscal year which estimated the remaining useful life of 80 years as of September 30, 2023.

Continued

CITY OF PERRYTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 10 – ACCOUNTING FOR MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS – Continuation

In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on estimated future closure and post closure care costs that will be incurred near or after the date that the landfill no longer accepts solid waste. The estimated total current cost of the landfill closure and post closure care of \$695,059 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2023. The recognition of the estimate total current cost is based on the amount of landfill used during the year. The estimated liability for closure and post closure cost accrued on the City's books for the year ended September 30, 2023 was \$236,078, which is based on accumulated usage of the 20.9 acre landfill area. It is estimated that an additional \$458,981 will be recognized as closure and post closure expenses between the balance sheet date and the date that the landfill is filled to capacity. However, the actual cost of closure and post closure care is subject to change due to inflation, changes in technology, or changes in landfill laws and regulations. As of September 30, 2023, the City has used approximately 52.09% of the available landfill capacity.

The City of Perryton has demonstrated financial assurance for closure post closure care cost associated with the landfill by satisfying the financial test specified in Sub-chapter K of 31 Texas Administrative Code 330.285(g).

NOTE 11 – COMMITMENTS

During the fiscal year ended September 30, 2019 the CDC committed an amount not to exceed \$12,500 to Opulence Social Media Marketing Agency to provide a start-up cost subsidy for each Perryton business that signs up with them. Under the agreement the CDC agreed to fund \$250 of the start-up cost for each Perryton business that joins, with a maximum of 50 businesses. As of September 30, 2023, the remaining commitment is \$2,250.

During the fiscal year ended September 30, 2020 the CDC committed an amount not to exceed \$104,000 to Franks Philips College to assist with salaries and equipment related to the local Cosmetology program. The commitment is to pay out \$50,000 for the equipment and a percentage of a \$36,000 salary over a 3 year period. In year the commitment is for 75% of the salary, 50% in year 2 and 25% in year 3. As of September 30, 2023, the project has been fully funded and there is no further commitment.

During the fiscal year ended September 30, 2020 the CDC committed an amount not to exceed \$270,000 to Franks Philips College to obtain and train a workforce for a local Nursing program. The commitment is to pay out \$50,000 the first year and \$110,000 each in years 2 and 3. As of September 30, 2023, the project has been fully funded and there is no further commitment.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF PERRYTON, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 2,348,760	\$ 2,348,760	\$ 2,361,817	\$ 13,057
Sales and use	2,066,940	2,396,610	2,400,995	4,385
Franchise	346,270	557,790	566,014	8,224
Alcoholic beverage	5,550	5,550	15,566	10,016
License and permits	11,300	9,800	8,665	(1,135)
Intergovernmental	565,480	565,480	777,339	211,859
Charges for services	327,500	327,500	355,124	27,624
Fines and forfeitures	59,470	39,470	35,479	(3,991)
Recreation fees	253,760	230,210	229,935	(275)
Investment earnings	145,930	485,110	567,144	82,034
Rents and leases	19,800	19,800	21,222	1,422
Miscellaneous	116,990	396,880	107,424	(289,456)
Total revenues	6,267,750	7,382,960	7,446,724	63,764
EXPENDITURES				
Current				
General government	403,370	71,550	65,804	5,746
Administration	585,040	1,384,810	788,525	596,285
City Hall	118,290	124,790	121,389	3,401
Public safety:				
Police	2,459,030	2,263,760	2,097,857	165,903
Fire	1,219,870	1,150,730	1,004,895	145,835
Street	1,193,330	1,033,560	1,034,654	(1,094)
Engineering	210,120	212,310	210,183	2,127
Culture and recreation:				
Parks and recreation	616,710	618,880	598,011	20,869
Golf course	564,490	570,170	597,561	(27,391)
Code enforcement	104,310	119,160	124,093	(4,933)
Insect control	22,490	31,890	30,548	1,342
Capital outlay	352,020	688,430	710,229	(21,799)
Total expenditures	7,849,070	8,270,040	7,383,749	886,291
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,581,320)	(887,080)	62,975	950,055
OTHER FINANCING SOURCES (USES)				
Proceeds from financing sources	945,260	324,590	-	(324,590)
Transfers in/(out)	636,060	597,270	652,515	55,245
Total other financing sources (uses)	1,581,320	921,860	652,515	(269,345)
NET CHANGE IN FUND BALANCE	-	34,780	715,490	680,710
FUND BALANCE - BEGINNING	7,823,696	7,823,696	7,823,696	-
FUND BALANCE - ENDING	\$ 7,823,696	\$ 7,858,476	\$ 8,539,186	\$ 680,710

CITY OF PERRYTON, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Years (will ultimately be displayed as available)

	Year Ended December 31,			
	2022	2021	2020	2019
Total Pension Liability:				
Service cost	\$ 593,255	\$ 576,669	\$ 568,165	\$ 553,718
Interest on total pension liability	1,769,591	1,689,274	1,642,954	1,589,541
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	38,561	151,774	(395,931)	(130,386)
Changes of assumptions	-	-	-	(69,550)
Benefit payments/refunds of contributions	(1,514,283)	(957,956)	(1,308,491)	(1,009,985)
Net change in total pension liability	887,124	1,459,761	506,697	933,338
Total pension liability, beginning	26,676,679	25,216,918	24,710,221	23,776,883
Total pension liability, ending (a)	<u>\$ 27,563,803</u>	<u>\$ 26,676,679</u>	<u>\$ 25,216,918</u>	<u>\$ 24,710,221</u>
Fiduciary Net Position:				
Employer contributions	\$ 468,525	\$ 457,784	\$ 569,308	\$ 1,545,258
Employee contributions	276,300	270,193	266,387	259,470
Net investment income	(2,059,197)	3,282,960	1,811,706	3,091,106
Benefit payments/refunds of contributions	(1,514,283)	(957,956)	(1,308,491)	(1,009,985)
Administrative expenses	(17,836)	(15,199)	(11,725)	(17,474)
Other	21,284	103	(457)	(525)
Net change in fiduciary net position	(2,825,207)	3,037,885	1,326,728	3,867,850
Fiduciary net position, beginning	28,236,091	25,198,206	23,871,478	20,003,628
Fiduciary net position, ending (b)	<u>\$ 25,410,884</u>	<u>\$ 28,236,091</u>	<u>\$ 25,198,206</u>	<u>\$ 23,871,478</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 2,152,919</u>	<u>\$ (1,559,412)</u>	<u>\$ 18,712</u>	<u>\$ 838,743</u>
Fiduciary net position as a % of total pension liability	92.19%	105.85%	99.93%	96.61%
Pensionable covered payroll	\$ 3,947,142	\$ 3,859,897	\$ 3,805,529	\$ 3,691,455
Net pension liability as a % of covered payroll	54.54%	-40.40%	0.49%	22.72%

Year Ended December 31,					
2018	2017	2016	2015	2014	2013
\$ 580,963	\$ 591,924	\$ 576,004	\$ 532,277	\$ 443,749	\$ N/A
1,516,486	1,438,584	1,350,019	1,304,957	1,221,602	N/A
-	-	-	-	-	N/A
(100,392)	(155,508)	28,443	95,922	34,795	N/A
-	-	-	17,673	-	N/A
(792,307)	(638,522)	(662,175)	(567,150)	(540,085)	N/A
1,204,750	1,236,478	1,292,291	1,383,679	1,160,061	N/A
22,572,133	21,335,655	20,043,364	18,659,685	17,499,624	N/A
<u>\$ 23,776,883</u>	<u>\$ 22,572,133</u>	<u>\$ 21,335,655</u>	<u>\$ 20,043,364</u>	<u>\$ 18,659,685</u>	<u>\$ N/A</u>
\$ 592,984	\$ 572,714	\$ 537,195	\$ 548,875	\$ 524,066	\$ N/A
271,659	274,402	266,668	264,064	249,895	N/A
(615,591)	2,477,532	1,123,630	24,169	874,284	N/A
(792,307)	(638,522)	(662,175)	(567,150)	(540,085)	N/A
(11,902)	(12,847)	(12,697)	(14,723)	(9,127)	N/A
(622)	(651)	(684)	(727)	(750)	N/A
(555,779)	2,672,628	1,251,937	254,508	1,098,283	N/A
20,559,407	17,886,779	16,634,842	16,380,334	15,282,051	N/A
<u>\$ 20,003,628</u>	<u>\$ 20,559,407</u>	<u>\$ 17,886,779</u>	<u>\$ 16,634,842</u>	<u>\$ 16,380,334</u>	<u>\$ N/A</u>
<u>\$ 3,773,255</u>	<u>\$ 2,012,726</u>	<u>\$ 3,448,876</u>	<u>\$ 3,408,522</u>	<u>\$ 2,279,351</u>	<u>\$ N/A</u>
84.13%	91.08%	83.84%	82.99%	87.78%	N/A
\$ 3,880,848	\$ 3,920,026	\$ 3,809,549	\$ 3,772,340	\$ 3,546,380	\$ N/A
97.23%	51.34%	90.53%	90.36%	64.27%	N/A

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CITY OF PERRYTON, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years (will ultimately be displayed as available)

Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 555,756	\$ 555,756	\$ -	\$ 3,755,972	\$ 14.8%
2016	549,039	549,039	-	3,862,302	14.2%
2017	553,624	553,624	-	3,819,187	14.5%
2018	573,642	573,642	-	3,796,853	15.1%
2019	548,078	548,078	-	3,684,938	14.9%
2020	567,490	1,567,490	(1,000,000)	3,811,107	41.1%
2021	484,354	484,354	-	3,808,104	12.7%
2022	414,471	464,089	(49,618)	3,919,118	11.8%
2023	407,877	484,984	(77,107)	4,133,794	11.7%

NOTES TO SCHEDULE OF 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	23 years (longest amortization)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% - 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The Rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes: There were no benefit changes during the year.

CITY OF PERRYTON, TEXAS
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Years (will ultimately be displayed as available)

	Year Ended August 31,			
	2022	2021	2020	2019
City's proportionate share (percentage) of collective net pension liability	0.311%	0.337%	0.396%	0.404%
City's proportionate share (amount) of the net pension liability	<u>\$ 127,604</u>	<u>\$ 36,107</u>	<u>\$ 99,835</u>	<u>\$ 114,515</u>
City's covered payroll (for measurement year)	\$ 571,600	\$ 535,212	\$ 488,476	\$ 438,332
City's proportionate share of the net pension liability as a percentage of its covered payroll	22.32%	6.75%	20.44%	26.13%
Plan's fiduciary net position as a percentage of the total pension liability	75.20%	93.10%	83.20%	80.20%

Year Ended August 31,					
2018	2017	2016	2015	2014	2013
0.422%	0.340%	0.314%	0.279%	0.360%	N/A
<u>\$ 91,365</u>	<u>\$ 81,606</u>	<u>\$ 91,462</u>	<u>\$ 89,192</u>	<u>\$ 65,418</u>	<u>\$ N/A</u>
\$ 460,310	\$ 485,753	\$ 556,905	\$ 577,355	\$ 571,312	N/A
19.85%	16.80%	16.42%	15.45%	11.45%	N/A
84.26%	81.41%	76.34%	78.31%	83.46%	N/A

CITY OF PERRYTON, TEXAS
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years (will ultimately be displayed as available)

<u>Year Ending September 30</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	\$ 13,200	\$ 13,200	\$ -	\$ 571,312	\$ 2.3%
2016	14,400	14,400	-	577,355	2.5%
2017	16,440	16,440	-	556,905	3.0%
2018	20,194	20,194	-	485,753	4.2%
2019	18,086	18,086	-	460,310	3.9%
2020	18,480	18,480	-	438,332	4.2%
2021	18,480	18,480	-	488,476	3.8%
2022	15,120	15,120	-	535,212	2.8%
2023	17,640	17,640	-	571,600	3.1%

CITY OF PERRYTON, TEXAS
TEXAS EMERGENCY SERVICES RETIREMENT SYTSTEM
SCHEDULE OF INVESTMENT RETURNS
Last 10 Years (1)

<u>Year Ending August 31:</u>	<u>Annual Money- Weighted Net Real Rate of Return (2)</u>
2013	13.84 %
2014	14.92 %
2015	(3.58) %
2016	5.57 %
2017	10.32 %
2018	10.86 %
2019	1.00 %
2020	10.74 %
2021	18.08 %
2022	(12.41) %

Notes to Schedule:

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

(2) The money-weighted rate of return expresses investment performance, net of investment expenses, reflecting the timing of the contributions received and the benefits paid during the year.

CITY OF PERRYTON, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
Last 10 Years (will ultimately be displayed as available)

	Year Ended December 31,			
	2022	2021	2020	2019
Total OPEB Liability:				
Service cost	\$ 9,868	\$ 8,878	\$ 6,850	\$ 4,799
Interest on total OPEB liability	6,201	6,302	7,588	8,330
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	(105,060)	9,352	38,312	39,786
Effect of economic/demographic (gains) or losses	(7,158)	5,471	(9,213)	(284)
Benefit payments	<u>(8,684)</u>	<u>(8,492)</u>	<u>(2,283)</u>	<u>(2,215)</u>
Net change in total OPEB liability	(104,833)	21,511	41,254	50,416
Total OPEB liability, beginning	<u>336,412</u>	<u>314,901</u>	<u>273,647</u>	<u>223,231</u>
Total OPEB liability, ending	<u>\$ 231,579</u>	<u>\$ 336,412</u>	<u>\$ 314,901</u>	<u>\$ 273,647</u>
Covered employee payroll	\$ 3,947,142	\$ 3,859,897	\$ 3,805,529	\$ 3,691,455
Total OPEB liability as a % of covered employee payroll	5.87%	8.72%	8.27%	7.41%

Year Ended December 31,					
2018	2017	2016	2015	2014	2013
\$ 6,209	\$ 5,488	\$ N/A	\$ N/A	\$ N/A	\$ N/A
7,781	7,794	N/A	N/A	N/A	N/A
-	-	N/A	N/A	N/A	N/A
(14,866)	17,407				
		N/A	N/A	N/A	N/A
(6,902)	-	N/A	N/A	N/A	N/A
(1,940)	(2,352)	N/A	N/A	N/A	N/A
(9,718)	28,337	N/A	N/A	N/A	N/A
232,949	204,612	N/A	N/A	N/A	N/A
\$ 223,231	\$ 232,949	\$ N/A	\$ N/A	\$ N/A	\$ N/A
\$ 3,880,848	\$ 3,920,026	\$ N/A	\$ N/A	\$ N/A	\$ N/A
5.75%	5.94%	N/A	N/A	N/A	N/A

CITY OF PERRYTON, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
NOTES TO SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

Valuation Timing	<p>For the employer's financial reporting purposes, the total OPEB liability and OPEB expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date and no later than the end of the employer's current fiscal year, consistently applied from period to period. If the actuarial valuation used to determine the total OPEB liability is not calculated as of the measurement date, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the measurement date.</p> <p>The total OPEB liability shown in this report is based on an actuarial valuation performed as of December 31, 2021 and a measurement date as of December 31, 2021; as such, no roll-forward is required.</p>
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	4.05%
Retiree's share of benefit-related costs	-
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale of UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to employer's yearly contributions for retirees.

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

CITY OF PERRYTON, TEXAS

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for and report specific revenues that are legally restricted to expenditures for particular purposes.

Hotel/Motel Occupancy Tax Fund – This fund is used to account for and report hotel/motel taxes that are legally restricted to promotion of tourism for the City.

Park Improvement Fund – This fund is used to account for and report private donations that are specifically restricted to improvement of the City's park.

INTERNAL SERVICES FUNDS

City Service Fund – This fund is used to account for the City's general maintenance of the City facilities and equipment.

Capital Replacement Fund – This fund is used to account for the acquisition of the City's machinery and equipment. The cost of the machinery and equipment is charged to the department utilizing it based on a charge for replacement.

**CITY OF PERRYTON, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

Special Revenue Funds			
	Hotel/Motel Occupancy Tax	Park Improvement	Total
ASSETS			
Cash and cash equivalents	\$ 188,805	\$ 136,532	\$ 325,337
Investments	250,000	-	250,000
Receivables	47,342	-	47,342
	<u>47,342</u>	<u>-</u>	<u>47,342</u>
Total assets	<u>\$ 486,147</u>	<u>\$ 136,532</u>	<u>\$ 622,679</u>
FUND BALANCES			
Restricted:			
Promotion and tourism	\$ 486,147	\$ -	\$ 486,147
Park improvements	-	71,530	71,530
	<u>-</u>	<u>71,530</u>	<u>71,530</u>
Total fund balances	<u>486,147</u>	<u>71,530</u>	<u>557,677</u>
Total liabilities and fund balances	<u>\$ 486,147</u>	<u>\$ 136,532</u>	<u>\$ 622,679</u>

CITY OF PERRYTON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds		
	Hotel/Motel Occupancy Tax	Park Improvement	Total
REVENUES			
Taxes			
Hotel/Motel taxes	\$ 282,797	\$ -	\$ 282,797
Investment earnings	4,165	3,308	7,473
Miscellaneous, contributions	-	12,391	12,391
Total revenues	286,962	15,699	302,661
EXPENDITURES			
Current:			
Promotion and tourism	317,485	-	317,485
Total expenditures	317,485	-	317,485
NET CHANGE IN FUND BALANCES	(30,523)	15,699	(14,824)
FUND BALANCES - BEGINNING	516,670	55,831	572,501
FUND BALANCES - ENDING	\$ 486,147	\$ 71,530	\$ 557,677

CITY OF PERRYTON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL OCCUPANCY TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Other taxes - Hotel/Motel taxes	\$ -	\$ 185,260	\$ 282,797	\$ 97,537
Investment earnings	-	-	4,165	4,165
Total revenues	-	185,260	286,962	101,702
EXPENDITURES				
Current:				
Promotion and tourism	337,880	368,640	317,485	51,155
Total expenditures	337,880	368,640	317,485	51,155
NET CHANGE IN FUND BALANCE	(337,880)	(183,380)	(30,523)	(213,903)
FUND BALANCE - BEGINNING	516,670	516,670	516,670	-
FUND BALANCE - ENDING	\$ 178,790	\$ 333,290	\$ 486,147	\$ (213,903)

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**CITY OF PERRYTON, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Investment earnings	<u>\$ -</u>	<u>\$ 115,320</u>	<u>\$ 139,515</u>	<u>\$ 24,195</u>
Total revenues	<u>-</u>	<u>115,320</u>	<u>139,515</u>	<u>24,195</u>
EXPENDITURES				
Current:				
City Hall	<u>-</u>	<u>115,320</u>	<u>-</u>	<u>115,320</u>
Total expenditures	<u>-</u>	<u>115,320</u>	<u>-</u>	<u>115,320</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>139,515</u>	<u>139,515</u>
FUND BALANCE - BEGINNING	<u>2,770,213</u>	<u>2,770,213</u>	<u>2,770,213</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 2,770,213</u></u>	<u><u>\$ 2,770,213</u></u>	<u><u>\$ 2,909,728</u></u>	<u><u>\$ 139,515</u></u>

CITY OF PERRYTON, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2023

	City Service	Capital Replacement	Total Internal Service
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 251,003	\$ 3,426,186	\$ 3,677,189
Investments	-	300,000	300,000
Receivables, net	-	17,725	17,725
Inventories	161,333	-	161,333
	<hr/>	<hr/>	<hr/>
Total current assets	412,336	3,743,911	4,156,247
	<hr/>	<hr/>	<hr/>
Noncurrent assets:			
Capital assets:			
Land	55,482	-	55,482
Machinery and equipment	124,189	7,830,460	7,954,649
Infrastructure	270,395	-	270,395
Less accumulated depreciation	(333,894)	(5,559,487)	(5,893,381)
	<hr/>	<hr/>	<hr/>
Total noncurrent assets	116,172	2,270,973	2,387,145
	<hr/>	<hr/>	<hr/>
Total assets	528,508	6,014,884	6,543,392
	<hr/>	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions	13,316	-	13,316
Pension economic/demographic losses	3,603	-	3,603
Pension deficient earnings	68,224	-	68,224
OPEB contributions	308	-	308
OPEB economic/demographic losses	135	-	135
OPEB assumption changes	1,384	-	1,384
	<hr/>	<hr/>	<hr/>
Total deferred outflows of resources	86,970	-	86,970
	<hr/>	<hr/>	<hr/>

Continued

CITY OF PERRYTON, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2023

	City Service	Capital Replacement	Total Internal Service
Continuation			
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 2,817	\$ 34	\$ 2,851
Accrued liabilities	9,626	-	9,626
Due to other funds	1,418	-	1,418
Compensated absences	8,301	-	8,301
	<u>22,162</u>	<u>34</u>	<u>22,196</u>
Total current liabilities			
Noncurrent liabilities:			
Net pension liability	81,849	-	81,849
Total OPEB liability	8,804	-	8,804
	<u>90,653</u>	<u>-</u>	<u>90,653</u>
Total noncurrent liabilities			
Total liabilities	<u>112,815</u>	<u>34</u>	<u>112,849</u>
DEFERRED INFLOWS OF RESOURCES			
Pension economic/demographic gains	2,187	-	2,187
OPEB economic/demographic gains	432	-	432
OPEB assumption changes	3,359	-	3,359
	<u>5,978</u>	<u>-</u>	<u>5,978</u>
Total deferred inflows of resources			
NET POSITION			
Net investment in capital assets	116,172	2,270,973	2,387,145
Unrestricted	380,513	3,743,877	4,124,390
	<u>496,685</u>	<u>6,014,850</u>	<u>6,511,535</u>
Total net position			

CITY OF PERRYTON, TEXAS
COMBINING STATEMENT OF REVENUE, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	City Service	Capital Replacement	Total Internal Service
OPERATING REVENUES:			
Charges for sales and services:			
Internal service charges	\$ 353,546	\$ 1,037,790	\$ 1,391,336
Miscellaneous	-	11,080	11,080
	<u>353,546</u>	<u>1,048,870</u>	<u>1,402,416</u>
Total operating revenues			
OPERATING EXPENSES:			
Purchasing/warehouse department	289,722	3,472	293,194
Shop department	107,934	-	107,934
Depreciation	11,304	421,955	433,259
	<u>408,960</u>	<u>425,427</u>	<u>834,387</u>
Total operating expenses			
OPERATING INCOME / (LOSS)	<u>(55,414)</u>	<u>623,443</u>	<u>568,029</u>
NON-OPERATING REVENUES:			
Investment earnings	-	176,390	176,390
Gain on disposition of assets	-	300	300
	<u>-</u>	<u>176,690</u>	<u>176,690</u>
Total non-operating revenues			
INCOME (LOSS) BEFORE GRANTS AND TRANSFERS	<u>(55,414)</u>	<u>800,133</u>	<u>744,719</u>
Transfers	<u>2,025</u>	<u>-</u>	<u>2,025</u>
CHANGE IN NET POSITION	(53,389)	800,133	746,744
NET POSITION - BEGINNING	<u>550,074</u>	<u>5,214,717</u>	<u>5,764,791</u>
NET POSITION - ENDING	<u>\$ 496,685</u>	<u>\$ 6,014,850</u>	<u>\$ 6,511,535</u>

CITY OF PERRYTON, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	City Service	Capital Replacement	Total Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts for internal service charges	\$ 353,546	\$ 1,048,870	\$ 1,402,416
Payments to employees for salaries and benefits	(221,677)	-	(221,677)
Payments to suppliers for goods and services	(187,739)	(3,438)	(191,177)
Net cash provided / (used) by operating activities	(55,870)	1,045,432	989,562
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer to other funds	2,025	-	2,025
Changes in inter-fund receivables/payables	(655)	-	(655)
Net cash provided by noncapital financing activities	1,370	-	1,370
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition or construction of capital assets	(8,999)	(1,251,523)	(1,260,522)
Proceeds from sale capital assets	-	300	300
Net cash used by capital and related financing activities	(8,999)	(1,251,223)	(1,260,222)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	-	164,679	164,679
Net cash provided by investing activities	-	164,679	164,679
NET INCREASE / (DECREASE) IN CASH	(63,499)	(41,112)	(104,611)
CASH AND CASH EQUIVALENTS, BEGINNING	314,502	3,467,298	3,781,800
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 251,003</u>	<u>\$ 3,426,186</u>	<u>\$ 3,677,189</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (55,414)	\$ 623,443	\$ 568,029
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	11,304	421,955	433,259
Changes in assets:			
Decrease (increase) in inventories	(18,404)	-	(18,404)
Decrease (increase) in net pension asset	56,280	-	56,280
Changes in deferred outflows:			
Decrease (increase) in deferred outflows of resources	(68,624)	-	(68,624)
Changes in liabilities:			
Increase (decrease) in accounts payable	972	34	1,006
Increase (decrease) in accrued expenses	1,777	-	1,777
Increase (decrease) in net pension liability	81,849	-	81,849
Increase (decrease) in total OPEB liability	(3,337)	-	(3,337)
Changes in deferred inflows:			
Increase (decrease) in deferred inflows of resources	(62,273)	-	(62,273)
Net cash provided / (used) by operating activities	<u>\$ (55,870)</u>	<u>\$ 1,045,432</u>	<u>\$ 989,562</u>

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STATISTICAL SECTION

CITY OF PERRYTON, TEXAS

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	83
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	88
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	95
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	100
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with governments.	
Operating Information	102
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

**CITY OF PERRYTON, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 10,712,578	\$ 10,934,174	\$ 10,586,141	\$ 9,677,010	\$ 8,723,869	\$ 8,511,567	\$ 8,095,360	\$ 7,475,317	\$ 6,972,000	\$ 7,325,775
Restricted	2,899,979	2,692,182	2,628,664	2,745,727	2,839,052	2,682,315	2,710,345	3,235,123	3,342,714	3,467,405
Unrestricted	6,160,465	6,833,317	6,435,820	6,719,741	7,871,641	8,509,673	8,518,522	9,487,393	10,640,685	10,896,718
Total governmental activities net position	<u>\$ 19,773,022</u>	<u>\$ 20,459,673</u>	<u>\$ 19,650,625</u>	<u>\$ 19,142,478</u>	<u>\$ 19,434,562</u>	<u>\$ 19,703,555</u>	<u>\$ 19,324,227</u>	<u>\$ 20,197,833</u>	<u>\$ 20,955,399</u>	<u>\$ 21,689,898</u>
Business-type activities										
Net investment in capital assets	\$ 8,540,899	\$ 12,214,893	\$ 9,929,529	\$ 10,848,195	\$ 10,207,365	\$ 9,897,406	\$ 9,623,028	\$ 9,243,015	\$ 8,601,127	\$ 9,320,413
Restricted	1,648,198	-	-	-	-	-	-	-	-	-
Unrestricted	3,268,885	1,774,459	4,190,621	3,447,882	4,163,743	4,845,753	5,596,451	6,038,239	7,689,489	7,470,379
Total business-type activities net position	<u>\$ 13,457,982</u>	<u>\$ 13,989,352</u>	<u>\$ 14,120,150</u>	<u>\$ 14,296,077</u>	<u>\$ 14,371,108</u>	<u>\$ 14,743,159</u>	<u>\$ 15,219,479</u>	<u>\$ 15,281,254</u>	<u>\$ 16,290,616</u>	<u>\$ 16,790,792</u>
Primary government										
Net investment in capital assets	\$ 19,253,477	\$ 23,149,067	\$ 20,382,270	\$ 20,525,205	\$ 18,931,234	\$ 18,408,973	\$ 17,718,388	\$ 16,718,332	\$ 15,573,127	\$ 16,646,188
Restricted	4,548,177	2,692,182	2,628,664	2,745,727	2,839,052	2,682,315	2,710,345	3,235,123	3,342,714	3,467,405
Unrestricted	11,264,236	8,607,776	10,759,841	10,167,623	12,035,384	13,355,426	14,114,973	15,525,632	18,330,174	18,367,097
Total primary government net position	<u>\$ 35,065,890</u>	<u>\$ 34,449,025</u>	<u>\$ 33,770,775</u>	<u>\$ 33,438,555</u>	<u>\$ 33,805,670</u>	<u>\$ 34,446,714</u>	<u>\$ 34,543,706</u>	<u>\$ 35,479,087</u>	<u>\$ 37,246,015</u>	<u>\$ 38,480,690</u>

**CITY OF PERRYTON, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 102,292	\$ 82,456	\$ 82,384	\$ 52,997	\$ 56,644	\$ 49,837	\$ 777,792	\$ 60,832	\$ 60,226	\$ 65,804
Administration	425,496	461,730	477,683	496,142	496,083	522,773	433,167	494,420	552,524	800,392
City Hall	170,725	166,406	176,476	167,164	176,349	293,994	147,720	164,988	151,957	768,949
Public safety:										
Police	1,865,304	1,897,830	2,099,742	2,150,070	2,072,773	2,017,750	1,758,436	1,891,563	1,860,395	2,099,209
Fire and ambulance	1,027,836	1,040,063	1,098,284	1,108,773	984,859	1,016,036	788,554	938,554	888,592	1,144,231
Streets	1,154,302	1,144,681	1,140,072	1,105,943	991,359	921,834	1,016,398	1,087,949	1,151,652	997,412
Engineering	211,125	204,153	223,614	309,868	325,619	343,416	264,905	169,707	168,574	213,430
Culture and recreation:										
Parks and Recreation	822,919	876,266	812,207	752,858	737,185	763,251	698,132	717,820	714,242	811,235
Golf Course	508,201	572,438	500,099	487,866	496,243	507,839	474,153	486,413	473,637	576,335
Promotion and tourism	374,905	456,703	319,670	186,052	206,411	350,276	264,469	158,940	164,115	317,485
Airport	53,398	53,540	58,761	74,092	74,085	75,060	76,010	74,983	73,781	37,430
Code Enforcement	82,999	83,594	89,835	89,597	90,446	97,869	100,949	85,492	81,552	126,592
Insect Control	25,832	13,062	23,541	19,780	30,488	26,108	21,344	23,640	20,516	28,717
Interest on long-term debt	20,366	6,892	-	-	2,886	772	2,230	-	-	-
Total governmental activities	6,845,700	7,059,814	7,102,368	7,001,202	6,741,430	6,986,815	6,824,259	6,355,301	6,361,763	7,987,221
Business-type activities										
Utility	5,344,864	5,207,295	5,080,646	4,540,589	4,841,623	4,970,240	4,623,734	5,099,474	4,483,075	6,782,806
Total business-type activities	5,344,864	5,207,295	5,080,646	4,540,589	4,841,623	4,970,240	4,623,734	5,099,474	4,483,075	6,782,806
Total Expenses	12,190,564	12,267,109	12,183,014	11,541,791	11,583,053	11,957,055	11,447,993	11,454,775	10,844,838	14,770,027
Program Revenues										
Governmental activities:										
Charges for services:										
General government	4,423	3,678	3,256	4,236	2,858	3,955	3,401	2,917	2,437	1,535
City Hall	-	-	-	-	-	13,026	9,485	10,948	8,777	10,372
Public safety:										
Police	170,666	163,286	120,565	120,753	77,935	86,482	62,238	40,609	42,322	35,479
Fire and ambulance	422,938	457,348	356,485	506,540	302,195	355,484	308,743	375,652	336,973	366,149
Culture and recreation:										
Parks and recreation	105,260	98,146	79,909	84,161	72,483	79,590	38,894	82,721	80,723	46,886
Golf course	150,898	153,111	142,910	142,895	138,130	144,256	133,171	130,908	179,954	183,049
Code enforcement	12,541	9,698	2,277	21,469	8,781	10,083	8,263	7,796	5,832	6,955
Operating grants and contributions	324,306	358,021	409,676	185,481	352,961	313,106	329,413	342,470	390,178	381,617
Capital grants and contributions	19,919	19,705	16,880	16,173	78,247	201,383	28,434	538,008	14,548	408,113
Total governmental activities	1,210,951	1,262,993	1,131,958	1,081,708	1,033,590	1,207,365	922,042	1,532,029	1,061,744	1,440,155

Continued

CITY OF PERRYTON, TEXAS
CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Continuation										
Business-type activities:										
Charges for services:										
Water sales	\$ 1,244,097	\$ 1,216,614	\$ 1,181,362	\$ 1,198,375	\$ 1,225,277	\$ 1,267,049	\$ 1,258,826	\$ 1,253,632	\$ 1,502,283	\$ 1,279,724
Sewer charges	523,495	578,353	574,377	574,530	573,471	561,899	568,262	558,767	568,332	554,571
Sanitation charges	998,562	1,063,361	1,038,396	1,086,940	1,032,532	1,106,026	1,060,566	1,038,766	1,177,363	1,316,940
Gas sales	3,047,759	2,680,500	2,368,811	2,089,491	2,261,478	2,470,120	2,058,801	2,474,381	2,292,893	3,871,962
Other	254,258	491,355	227,794	298,222	222,127	-	-	-	-	-
Operating grants and contributions	-	-	-	6,340	-	-	258,445	238,348	45,384	361,156
Capital grants and contributions	91,326	89,300	69,055	7,975	500	167,485	-	-	-	27,140
Total business-type activities										
program revenues	6,159,497	6,119,483	5,459,795	5,261,873	5,315,385	5,572,579	5,204,900	5,563,894	5,586,255	7,411,493
Total primary government										
program revenues	7,370,448	7,382,476	6,591,753	6,343,581	6,348,975	6,779,944	6,126,942	7,095,923	6,647,999	8,851,648.00
Net (Expense)/Revenue										
Governmental activities	(5,634,749)	(5,796,821)	(5,970,410)	(5,919,494)	(5,707,840)	(5,779,450)	(5,902,217)	(4,823,272)	(5,300,019)	(6,547,066)
Business-type activities	814,633	912,188	379,149	721,284	473,762	602,339	581,166	464,420	1,103,180	628,687
Total primary government										
net expenses	(4,820,116)	(4,884,633)	(5,591,261)	(5,198,210)	(5,234,078)	(5,177,111)	(5,321,051)	(4,358,852)	(4,196,839)	(5,918,379)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	1,612,083	1,753,409	1,881,337	1,868,866	2,128,868	2,122,314	2,150,538	2,136,573	2,135,713	2,363,406
Sales taxes	4,952,523	3,523,643	2,292,474	2,197,867	2,433,064	2,461,920	2,047,467	2,036,182	2,473,553	2,400,995
Franchise taxes	261,329	260,109	261,500	259,380	250,950	241,432	254,807	418,303	493,918	566,014
Hotel/Motel taxes	459,563	303,501	219,304	254,534	282,668	298,036	236,156	225,965	219,555	282,797
Alcoholic beverage taxes	9,541	9,501	10,056	6,091	4,987	7,148	3,669	6,749	6,083	15,566
Unrestricted investment earnings	52,433	65,505	96,289	142,518	250,314	418,302	251,136	106,535	229,178	890,522
Gain on disposal of asset	-	-	-	6,058	45,340	12,776	82,318	-	38,788	300
Miscellaneous	79,966	129,502	80,668	70,787	69,649	69,824	61,498	81,321	47,690	107,424
Transfers	463,500	438,302	319,734	605,246	534,084	580,575	435,300	685,250	413,107	654,541
Total governmental activities	7,890,938	6,483,472	5,161,362	5,411,347	5,999,924	6,212,327	5,522,889	5,696,878	6,057,585	7,281,565
Business-type activities:										
Unrestricted investment earnings	36,737	57,484	71,383	88,929	135,353	171,899	95,851	41,356	75,323	285,528
Gain on disposal of asset	-	-	-	-	-	-	-	3,713	-	-
Miscellaneous	72,380	-	-	(29,040)	-	227,278	234,603	237,536	243,966	240,502
Transfers	(463,500)	(438,302)	(319,734)	(605,246)	(534,084)	(580,575)	(435,300)	(685,250)	(413,107)	(654,541)
Total business-type activities	(354,383)	(380,818)	(248,351)	(545,357)	(398,731)	(181,398)	(104,846)	(402,645)	(93,818)	(128,511)
Total primary government	7,536,555	6,102,654	4,913,011	4,865,990	5,601,193	6,030,929	5,418,043	5,294,233	5,963,767	7,153,054
Change in Net Position										
Governmental activities	2,256,189	686,651	(809,048)	(508,147)	292,084	432,877	(379,328)	873,606	757,566	734,499
Business-type activities	460,250	531,370	130,798	175,927	75,031	420,941	476,320	61,775	1,009,362	500,176
Total primary government	\$ 2,716,439	\$ 1,218,021	\$ (678,250)	\$ (332,220)	\$ 367,115	\$ 853,818	\$ 96,992	\$ 935,381	\$ 1,766,928	\$ 1,234,675

CITY OF PERRYTON, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	<u>6,660,439</u>	<u>7,256,347</u>	<u>6,940,515</u>	<u>6,992,687</u>	<u>7,584,178</u>	<u>8,379,900</u>	<u>7,321,006</u>	<u>7,657,561</u>	<u>7,823,696</u>	<u>8,539,186</u>
Total general fund	<u>\$ 6,660,439</u>	<u>\$ 7,256,347</u>	<u>\$ 6,940,515</u>	<u>\$ 6,992,687</u>	<u>\$ 7,584,178</u>	<u>\$ 8,379,900</u>	<u>\$ 7,321,006</u>	<u>\$ 7,657,561</u>	<u>\$ 7,823,696</u>	<u>\$ 8,539,186</u>
All Other Governmental Funds										
Restricted	\$ 948,371	\$ 420,542	\$ 321,925	\$ 390,408	\$ 2,839,052	\$ 2,682,315	\$ 2,710,345	\$ 3,235,123	\$ 3,342,714	\$ 3,467,405
Assigned	<u>1,951,608</u>	<u>2,271,640</u>	<u>2,306,739</u>	<u>2,355,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 2,899,979</u>	<u>\$ 2,692,182</u>	<u>\$ 2,628,664</u>	<u>\$ 2,745,727</u>	<u>\$ 2,839,052</u>	<u>\$ 2,682,315</u>	<u>\$ 2,710,345</u>	<u>\$ 3,235,123</u>	<u>\$ 3,342,714</u>	<u>\$ 3,467,405</u>

CITY OF PERRYTON, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 7,294,906	\$ 5,848,016	\$ 4,645,194	\$ 4,620,102	\$ 5,080,319	\$ 5,120,527	\$ 4,691,180	\$ 4,819,844	\$ 5,331,419	\$ 5,627,189
Licenses and permits	17,819	14,261	6,688	27,810	11,763	18,043	11,904	12,528	8,269	8,665
Intergovernmental	400,764	435,808	338,962	494,165	415,212	498,398	342,442	866,011	391,545	777,339
Charges for services	324,306	358,021	409,676	182,606	291,729	349,184	302,268	365,152	326,474	355,124
Fines and forfeitures	170,666	163,286	120,565	120,753	77,935	86,482	62,238	40,609	42,322	35,479
Recreation fees	256,157	249,861	222,819	227,056	210,614	223,846	172,065	213,629	260,676	229,935
Investment earnings	45,409	58,404	86,409	123,130	213,861	363,342	209,649	84,361	177,413	714,132
Rents and leases	31,936	27,728	24,431	22,300	21,103	15,321	15,720	19,633	19,277	21,222
Miscellaneous	50,848	78,423	22,604	61,632	102,631	85,915	76,903	95,788	60,871	119,815
Contributions and donations	20,022	19,705	16,880	16,173	-	-	-	-	-	-
Total revenues	8,612,833	7,253,513	5,894,228	5,895,727	6,425,167	6,761,058	5,884,369	6,517,555	6,618,266	7,888,900
Expenditures										
Current:										
General government	102,292	82,456	82,383	52,997	56,644	49,838	777,795	60,831	60,226	65,804
Administration	425,690	475,043	459,257	479,457	491,725	499,345	514,869	552,981	645,276	788,525
City Hall	106,505	105,559	111,491	99,174	111,265	226,794	97,008	105,661	96,067	121,389
Public safety:										
Police	1,842,671	1,936,300	2,053,960	2,002,499	2,014,094	1,909,043	2,104,491	2,053,174	2,154,510	2,097,857
Fire and ambulance	932,634	994,747	976,290	1,002,303	915,718	865,705	825,883	912,661	959,791	1,004,895
Streets	1,128,971	1,138,692	1,126,717	1,062,965	971,202	877,722	1,088,539	1,080,226	1,251,602	1,034,654
Engineering	202,206	205,351	210,076	283,403	321,434	323,969	329,178	197,288	192,919	210,183
Culture and recreation:										
Parks and recreation	598,404	655,328	582,222	512,260	509,023	523,265	514,129	504,088	520,535	598,011
Golf course	479,127	563,490	497,411	476,482	498,556	492,066	538,178	503,312	527,891	597,561
Promotion and tourism	374,905	456,703	319,670	186,052	206,411	350,276	264,469	158,940	164,115	317,485
Airport	1,220	1,220	1,220	1,245	1,245	1,245	1,220	1,220	18	-
Code enforcement	83,831	86,250	88,947	85,355	91,996	94,425	118,774	93,910	94,321	124,093
Insect control	22,577	10,200	20,960	16,849	27,582	25,788	22,981	23,931	22,501	30,548
Debt services:										
Principal	170,000	365,000	-	32,998	32,879	35,002	33,604	-	-	-
Interest	21,375	9,059	-	2,776	2,867	772	2,230	-	-	-
Capital Outlay	153,669	222,856	196,107	40,011	152,940	430,961	117,185	93,249	67,875	710,229
Total expenditures	6,646,077	7,308,254	6,726,711	6,336,826	6,405,581	6,706,216	7,350,533	6,341,472	6,757,647	7,701,234
Excess of revenues over (under) expenditures	1,966,756	(54,741)	(832,483)	(441,099)	19,586	54,842	(1,466,164)	176,083	(139,381)	187,666
Other financial sources (uses)										
Transfers in	1,470,377	839,886	507,600	798,200	586,708	819,362	623,170	1,116,150	413,107	689,065
Transfers out	(1,006,877)	(401,584)	(187,866)	(187,866)	(52,624)	(238,787)	(187,870)	(430,900)	-	(36,550)
Proceeds from sale of assets	-	4,550.00	-	-	131,146	3,568	-	-	-	-
Issuance of debt	-	-	133,399	-	-	-	-	-	-	-
Total other financing sources (uses)	463,500	442,852	453,133	610,334	665,230	584,143	435,300	685,250	413,107	652,515
Net change in fund balances	\$ 2,430,256	\$ 388,111	\$ (379,350)	\$ 169,235	\$ 684,816	\$ 638,985	\$ (1,030,864)	\$ 861,333	\$ 273,726	\$ 840,181
Debt service as a percentage of noncapital expenditures	2.9%	5.3%	0.0%	0.6%	0.6%	0.6%	0.5%	0.0%	0.0%	0.0%

CITY OF PERRYTON, TEXAS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended September 30,</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2014	\$ 234,325,793	\$ 68,270,021	\$ 157,601,622	\$ 5,846,564	\$ 454,350,872	.382000
2015	261,166,364	118,640,797	119,112,168	2,193,947	496,725,382	.382000
2016	257,914,377	68,349,170	116,989,180	14,296,395	428,956,332	.382000
2017	268,958,863	128,118,234	61,546,622	8,982,299	449,641,420	.435265
2018	272,853,782	129,582,459	49,377,474	3,273,102	448,540,613	.470000
2019	279,977,495	128,020,002	49,334,981	15,546,098	441,786,380	.470388
2020	278,815,066	130,792,443	52,339,510	23,450,911	438,496,108	.478279
2021	282,088,236	122,588,177	47,907,090	5,042,696	447,540,807	.483896
2022	309,107,516	87,291,134	87,629,400	16,855,857	467,172,193	.501485
2023	341,291,916	91,347,354	95,701,807	33,210,899	495,130,178	.501485

Source: Ochiltree County Appraisal District

**CITY OF PERRYTON, TEXAS
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	City Direct Rates			Overlapping Rates					
	Operating	General Obligation Debt Service	Total Direct	Perryton School District	North Plains Water District	Ochiltree General Hospital District	Ochiltree County	Frank Phillips Junior College	Total Direct and Overlapping
2014	0.338507	0.043493	0.382000	1.190000	0.025324	0.162000	0.400000	0.025359	2.184683
2015	0.342400	0.039600	0.382000	1.100000	0.026829	0.250000	0.424000	0.022979	2.205808
2016	0.390415	0.044850	0.435265	1.130000	0.034146	0.350000	0.524000	0.034181	2.507592
2017	0.427594	0.042406	0.470000	1.125000	0.033714	0.388583	0.524000	0.037200	2.578497
2018	0.428503	0.041885	0.470388	1.125000	0.033136	0.383644	0.524000	0.039660	2.575828
2019	0.431952	0.041472	0.473424	1.055000	0.032600	0.383644	0.574214	0.039592	2.558474
2020	0.436931	0.041348	0.478279	1.056400	0.032600	0.493967	0.672950	0.042300	2.776496
2021	0.442409	0.041487	0.483896	1.073400	0.032600	0.550000	0.757732	0.049313	2.946941
2022	0.501485	-	0.501485	0.944600	0.027966	0.439255	0.596698	0.042569	2.552573
2023	0.501485	-	0.501485	1.028000	0.027966	0.431262	0.606890	0.041793	2.637396

Source: Ochiltree County Appraisal District - rates are per \$100 of assessed value

**CITY OF PERRYTON, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayers	Fiscal Year 2023			Fiscal Year 2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Southwestern Public Services	\$ 6,815,070	1	1.38 %	\$		%
Pipeline Supply & Servic, LLC	6,476,545	2	1.31			
Perry Sooter, DBA Western Hotoil	5,348,140	3	1.08	6,271,230	5	1.38
Juan Cenicerros	4,156,466	4	0.84	3,936,655	10	0.87
Jamal Enterprises LP	3,868,862	5	0.78			
Mewbourne Oil Company	3,740,380	6	0.76	4,730,260	7	1.04
Beckman Well Services LLC	3,397,860	7	0.69	6,248,123	6	1.38
AXAR Hospitality LLC	3,096,000	8	0.63			
Bartlett Enterprises Inc	2,936,823	9	0.59			
United Supermarkets	2,915,021	10	0.59			
Baker Hughes Oilfield Operations				23,787,900	1	5.24
Nabors Completion & Production				16,159,688	2	3.56
Globe Energy Services LLC				8,402,707	3	1.85
Gorman & Phillips Construction				7,323,288	4	1.61
Key Energy Services				4,352,368	8	0.96
Perryton Hospitality Inc				4,138,363	9	0.91
Total	<u>\$ 42,751,167</u>		<u>8.65 %</u>	<u>\$ 85,350,582</u>		<u>18.80 %</u>

Source: Ochiltree County Appraisal District

**CITY OF PERRYTON, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year End September 30,	Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2014	\$ 1,394,663	\$ 1,377,124	98.74	\$ 15,533	\$ 1,392,657	99.86 %
2015	1,536,046	1,513,446	98.53	19,683	1,533,129	99.81
2016	1,666,610	1,633,369	98.01	29,220	1,662,589	99.76
2017	1,703,364	1,657,289	97.30	37,139	1,694,428	99.48
2018	1,916,835	1,880,090	98.08	28,904	1,908,994	99.59
2019	1,943,435	1,894,639	97.49	34,253	1,928,892	99.25
2020	1,977,151	1,922,372	97.23	34,682	1,957,054	98.98
2021	1,977,381	1,922,832	97.24	30,660	1,953,492	98.79
2022	1,979,003	1,934,304	97.74	17,842	1,952,146	98.64
2023	2,355,631	2,304,009	97.81	-	2,304,009	97.81

Source: Ochiltree County Appraisal District

CITY OF PERRYTON, TEXAS
MOST SIGNIFICANT OWN SOURCE REVENUE (SALES TAX) - GENERAL FUND
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Total Sales Tax Revenues	Total Revenues	Percentage of Total Revenues
2014	\$ 4,954,691	\$ 8,533,303	58.06 %
2015	3,523,643	6,917,238	50.94 %
2016	2,292,474	5,973,586	38.38 %
2017	2,197,867	5,592,612	39.30 %
2018	2,433,064	6,072,807	40.06 %
2019	2,461,920	6,380,909	38.58 %
2020	2,047,467	5,591,870	36.62 %
2021	2,036,182	6,260,519	32.52 %
2022	2,138,310	6,346,560	33.69 %
2023	2,408,923	8,969,194	26.86 %

CITY OF PERRYTON, TEXAS
MOST SIGNIFICANT OWN SOURCE REVENUE (GAS SALES) - UTILITY FUND
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Total Gas Sales Revenues	Total Operating Revenues	Percentage of Total Revenues
2014	\$ 2,946,106	\$ 5,930,769	49.67 %
2015	2,680,500	5,941,983	45.11 %
2016	2,368,811	5,390,740	43.94 %
2017	2,089,491	5,247,557	39.82 %
2018	2,261,478	5,314,885	42.55 %
2019	2,470,120	5,632,372	43.86 %
2020	2,058,801	5,181,058	39.74 %
2021	2,474,381	5,563,082	44.48 %
2022	2,292,893	5,784,837	39.64 %
2023	3,871,962	7,263,699	53.31 %

Monthly rates to be charged and collected by the City for gas service rendered to domestic and commercial consumers shall be determined by a contract between West Texas Gas and the City. Such charge will be based on the wholesale cost of gas as authorized by this contract with a \$1.69 per MCF delivery cost from the City gate to burner tip. Effective October 1, 2022 the monthly base service charge for all residential and commercial accounts was \$10.74 per MCF

**CITY OF PERRYTON, TEXAS
TEN LARGEST GAS CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO**

Customer	Type of Industry	Fiscal Year 2023			Fiscal Year 2014		
		Rank	Gas Revenue	Percent of Total Gas Revenue	Rank	Gas Revenue	Percent of Total Gas Revenue
Ochiltree General Hospital	Hospital	1	\$ 85,555	2.21 %	3	\$ 39,987	1.36 %
PISD - #7	School	2	30,598	0.79	2	68,668	2.33
United Supermarkets	Grocery	3	24,219	0.63	6	21,900	0.74
Perryton Cleaners	Dry Cleaners	4	22,565	0.59	9	16,812	0.57
PISD - Kindergarten	School	5	22,328	0.58			
Perryton Activity Center	Recreational	6	22,275	0.58	8	19,237	0.65
Western Equipment	Agricultural	7	20,900	0.54			
Lowe's Market	Grocery	8	20,245	0.52			
Texas DOT	Government	9	18,269	0.47			
PISD - Wright Elementary	School	10	18,097	0.47			
Apache	CNG Resale				1	112,329	3.81
BJ Services	Oil Field Service				4	39,541	1.34
City Swimming Pool	Recreational				5	32,968	1.12
Ochiltree County	Courthouse				7	21,746	0.74
Globe Energy	Oil Field Service				10	15,097	0.51

Source: City's gas system financial records.

CITY OF PERRYTON, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-Type Activities	Total Outstanding Debt	Percentage of Personal Income (2)	Population (3)
	Capital Leases	Certificates of Obligation	Certificates of Obligation (1)			
2014	\$ -	\$ 365,000	\$ 1,979,525	\$ 2,344,525	0.45	9,243
2015	-	-	5,740,008	5,740,008	0.88	9,298
2016	133,399	-	4,866,396	4,999,795	0.73	9,114
2017	101,465	-	3,964,523	4,065,988	0.67	8,980
2018	68,606	-	3,058,202	3,126,808	0.48	8,977
2019	33,604	-	2,141,496	2,175,100	0.52	8,908
2020	-	-	1,185,000	1,185,000	0.55	8,813
2021	-	-	595,000	595,000	0.32	8,492
2022	-	-	-	-	-	8,417
2023	-	-	-	-	-	8,475

(1) Presented net of original issuance premium

(2) Personal income data can be found in the Schedule of Demographic and Economic Statistics on page 100

(3) Population data can be found in the Schedule of Demographic and Economic Statistics on page 100

CITY OF PERRYTON, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Certificates of Obligation (1)</u>	<u>Less Amounts Available in Debt Service Fund (2)</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property (3)</u>	<u>Per Capita (4)</u>
2014	\$ 2,344,525	\$ 375,981	\$ 1,968,544	0.43	\$ 212.98
2015	5,740,008	558,763	5,181,245	1.04	557.24
2016	4,866,396	554,680	4,311,716	1.01	473.09
2017	3,964,523	558,109	3,406,414	0.76	379.33
2018	3,058,202	558,727	2,499,475	0.56	278.43
2019	2,141,496	479,670	1,661,826	0.38	186.55
2020	1,185,000	179,676	1,005,324	0.23	114.07
2021	595,000	411,275	183,725	0.04	21.64
2022	-	-	-	-	-
2023	-	-	-	-	-

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums

(2) This is the amount restricted for debt service principal payments

(3) See the Schedule of Assessed Value and the Actual Value of Taxable Property on page 88 for property value data

(4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 100

CITY OF PERRYTON, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Perryton Independent School District	\$ 36,240,197	46.05 %	\$ 16,688,611
Ochiltree County	4,040,000	29.09	1,175,236
Ochiltree General Hospital	6,238,420	1.36	84,843
North Plains Water District	N/A	-	-
Frank Phillips College	N/A	-	-
Subtotal, overlapping debt			17,948,689
City direct debt			-
Total direct and overlapping debt			\$ 17,948,689

Source: The overlapping debt percentages are based on the City's total taxable base comparison to the total taxable base of the other taxing entities within the corporate limits of the City. Debt amounts are obtained directly from the taxing entities.

CITY OF PERRYTON, TEXAS
LEGAL DEBT MARGIN INFORMATION
September 30, 2023

Taxable Assessed Value	\$ 495,130,178
Constitutional Debt limit (10% of taxable assessed value)	\$ 49,513,018
Outstanding Debt:	
Business Activities - Combination Tax and Revenue	
Tax Notes - Series 2015	\$ -
Total Outstanding Debt	-
Less: Self-supporting debt	-
Amounts in sinking fund	-
Total net debt applicable to limit	-
Net debt contracting margin	\$ 49,513,018
Percentage of net debt contracting margin available	100.00 %
Percentage of net debt contracting power exhausted	- %

Year	Constitutional Debt Limit	Outstanding Indebtedness September 30,	Percentage of Net Debt Contracting Margin Available
2014	\$ 45,435,167	\$ 2,275,000	100.00 %
2015	49,672,536	5,680,000	88.57
2016	42,743,681	4,813,000	88.74
2017	47,366,210	3,923,000	91.72
2018	44,854,061	3,026,000	98.07
2019	45,354,061	2,115,000	99.80
2020	45,418,943	1,185,000	99.57
2021	44,754,081	595,000	98.67
2022	46,717,219	-	100.00
2023	49,513,018	-	100.00

**CITY OF PERRYTON, TEXAS
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Combination Tax & Revenue Certificates of Obligation

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2014	\$ 6,050,097	\$ 4,716,841	\$ 1,333,256	\$ 290,000	\$ 60,650	3.80
2015	5,853,783	4,597,880	1,255,903	295,000	54,063	3.60
2016	5,302,540	4,483,785	818,755	867,000	71,383	0.87
2017	5,247,558	3,887,119	1,360,439	890,000	47,434	1.45
2018	5,314,885	4,067,166	1,247,719	897,000	37,616	1.34
2019	5,632,372	4,209,070	1,423,302	911,000	29,257	1.51
2020	5,181,058	3,963,614	1,217,444	590,000	7,863	2.04
2021	5,563,082	4,289,765	1,273,317	595,000	2,678	2.13
2022	5,784,837	3,632,196	2,152,641	-	-	-
2023	7,023,197	6,352,795	670,402	-	-	-

Note: Operating expenses do not include interest, depreciation or amortization expenses.

**CITY OF PERRYTON, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>School Enrollment (4)</u>	<u>Work Force (5)</u>	<u>Labor Employed (5)</u>	<u>Unemployment Rate (5)</u>
2014	9,243	\$ 505,324,053	\$ 54,671	2,377	6,483	6,312	2.60 %
2015	9,298	651,643,000	70,084	2,331	5,675	5,435	4.20
2016	9,114	663,362,490	72,785	2,332	7,583	7,177	5.35
2017	8,980	609,869,000	67,914	2,216	4,178	4,032	3.50
2018	8,977	653,390,945	72,785	2,238	4,497	4,371	2.80
2019	8,908	421,018,804	47,263	2,213	4,473	4,358	2.60
2020	8,813	213,803,380	24,260	2,126	4,067	3,804	6.50
2021	8,492	186,204,084	21,927	2,052	3,916	3,703	5.40
2022	8,417	223,656,524	26,572	1,970	3,951	3,816	3.40
2023	8,475	242,291,775	28,589	1,902	3,836	3,698	3.59

(1) Population figures for 2010 are from the U.S. Bureau of Census; other years are estimates based on number of utility accounts.

(2) Personal income amounts are calculated based on population and per capita personal income amounts.

(3) Per Capita personal income for 2007-2017 obtained from the latest information available from the Texas Workforce Commission.

(4) School enrollment figures obtained from Perryton Independent School District.

(5) Work force, labor employed, and unemployment rate information is from the Texas Labor Market Information website and consists of data for Ochiltree County, Texas.

**CITY OF PERRYTON, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayers	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Perryton ISD	374	1	10.11 %	357	1	5.66 %
Seaboard Foods	343	2	9.28			
Ochiltree General Hospital	214	3	5.79	155	4	2.46
United Supermarket	112	4	3.03	123	7	1.95
City of Perryton	86	5	2.33	86	10	1.36
Mewbourne Oil	85	6	2.30			
Ochiltree County	80	7	2.16			
Phil Dollar Oilfield Service	49	8	1.33			
Western Hot Oil	46	9	1.24			
Equity Exchange	31	10	0.84			
Texas Farms				325	2	5.66
Enerpipe Limited				300	3	4.75
Gorman & Phillips Construction				150	5	2.38
Baker Hughes				123	6	1.95
Nabors Completion & Production				118	8	1.87
Midwest Inspection Services				102	9	1.62

CITY OF PERRYTON, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government										
Administrative	2	2	2	2	2	2	2	2	2	2
Finance	1	1	1	1	1	1	1	2	2	1
Code Enforcement	1	1	1	1	1	1	1	1	1	2
Building Maintenance	1	1	1	1	1	1	1	1	1	1
Police										
Animal Control	2	2	2	2	2	2	2	2	2	2
Officers	15	15	15	15	15	15	15	15	15	15
Civilians	8	8	8	8	8	8	8	8	8	8
Fire										
Firefighter/Paramedic	8	7	7	7	7	7	3	3	3	3
Firefighter/Intermediate	1	3	2	2	2	2	1	1	1	1
Firefighter/EMT	4	3	4	4	4	4	9	9	9	9
Public Works										
Administrative	4	4	4	4	4	4	4	4	4	4
Engineering	1	1	1	2	2	2	1	1	1	1
Parks & Recreation	4	4	4	4	4	4	4	4	4	5
Golf course	4	4	4	4	4	4	4	4	4	5
Streets	6	6	6	6	6	6	6	6	6	6
Solid Waste	8	8	8	8	8	8	8	8	8	8
Water	5	5	5	5	5	5	5	5	5	6
Gas	3	3	3	3	3	3	3	3	3	3
Wastewater	4	4	4	4	4	4	4	4	4	4
City Service										
Administrative	1	1	1	1	1	1	1	1	1	1
Shop	1	1	1	1	1	1	1	1	1	1
Warehouse	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	<u>85</u>	<u>85</u>	<u>85</u>	<u>86</u>	<u>86</u>	<u>86</u>	<u>85</u>	<u>86</u>	<u>86</u>	<u>89</u>

Information obtained from City records.

CITY OF PERRYTON, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police										
Physical arrest	614	467	303	266	204	294	185	249	232	183
Motor vehicle accidents	166	227	219	169	187	134	179	150	189	180
Traffic violations	3,103	2,148	1,965	2,144	2,150	1,964	1,412	1,233	1,116	1,142
Fire										
Fires extinguished	46	43	51	66	66	49	63	52	77	33
Ambulance										
Emergency responses	73	33	29	31	40	39	461	402	427	357
Transfers	646	604	570	557	564	543	542	579	630	556
Refuse collection										
Refuse collected (tons per day)	18	18	19	19	18	18	16	18	18	19
Recyclables collected (tons per day)	1.26	0.32	0.30	0.21	0.90	0.02	0.18	0.19	0.20	0.47
Other public works										
Street resurfacing (miles)	4.3	4.0	4.0	3.3	-	2.3	2.8	2.5	2.0	-
Water										
New connections	390	290	285	376	401	478	352	262	365	335
Water main breaks	80	88	91	120	118	145	162	208	153	209
Average daily consumption (thousands of gallons)	1,968	1,380	1,152	1,399	1,732	1,223	1,447	1,624	1,604	1,725
Peak daily consumption (thousands of gallons)	4,432	3,897	3,800	3,200	3,218	3,334	4,757	3,038	4,554	3,467
Wastewater										
Average daily sewage treatment (thousands of gallons)	785	813	1,009	805	704	767	640	606	679	849
Gas										
Average daily consumption (MCF)	1,163	1,038	1,005	891	950	1,089	989	1,030	906	860
Peak daily consumption (MCF)	4,554	3,897	4,270	4,270	3,866	2,750	2,203	4,574	4,269	3,192

Information obtained from City records.

CITY OF PERRYTON, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	16	16	16	16	16	16	16	16	16	16
Fire stations	1	1	1	1	1	1	1	1	1	1
Refuse collection										
Collection trucks	4	4	4	4	4	4	4	4	4	4
Recycle trucks	2	2	2	2	2	2	2	2	2	2
Recycle centers	2	2	2	2	2	2	2	2	2	2
Other public works										
Streets (miles-paved)	67	67	68	68	68	68	68	68	28	68
Streets (miles-unpaved)	5	5	5	5	5	5	5	5	5	5
Alleys (miles)	47	47	48	48	48	48	48	48	48	48
Parks and recreation										
Acreage	37	37	37	37	37	37	37	37	37	37
Playgrounds	5	5	5	5	5	5	5	5	5	4
Baseball/softball diamonds	1	1	1	1	1	1	1	1	1	0
Soccer/football fields	2	2	2	2	2	2	2	2	2	0
Basketball courts	1	1	1	1	1	1	2	2	2	2
Water										
Water mains (miles)	67	67	68	68	68	68	68	68	68	68
Fire hydrants	236	236	236	236	236	236	236	236	236	236
Storage capacity (thousands of gallons)	3,100	3,100	3100	3,100	3,100	3,100	3,100	3,100	3,100	3,100
Wastewater										
Sanitary sewers (miles)	68	68	69	69	69	69	69	69	69	69
Treatment capacity (thousands of gallons)	1,400	1,400	1400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Gas										
Gas mains (miles)	57	58	58	58	58	58	58	58	58	58

Information obtained from City records.

COMPLIANCE AND INTERNAL CONTROL

To the Honorable Mayor and City Council
City of Perryton, Texas

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and their respective budgetary comparisons, and the aggregate remaining fund information of the City of Perryton, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Perryton, Texas's basic financial statements, and have issued our report thereon dated January 29, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Perryton, Texas's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Perryton, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Perryton, Texas's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Perryton, Texas's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DOSHIER, PICKENS & FRANCIS, L.L.C.

DOSHIER, PICKENS & FRANCIS, LLC

Amarillo, Texas

January 29, 2024