

ANNUAL FINANCIAL REPORT

of the

CITY OF ONALASKA, TEXAS

**For the Year Ended
September 30, 2021**

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CITY OF ONALASKA, TEXAS

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September 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
City Council Members of the
City of Onalaska, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Onalaska, Texas (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the City as of September 30, 2021, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension asset and total other postemployment benefits liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
February 15, 2022

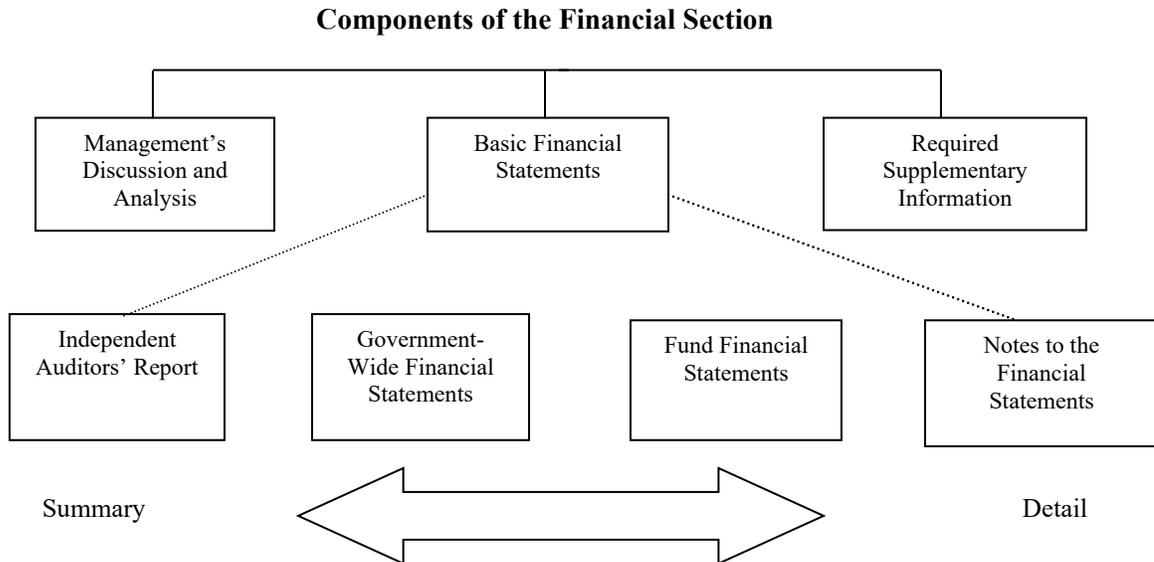
***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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CITY OF ONALASKA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Onalaska (the "City") for the year ending September 30, 2021. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other nonfinancial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered to assess the overall health of the City.

CITY OF ONALASKA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

The Statement of Activities presents information showing how the City's net position changed during the most recent 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 – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities present one class of activities:

1. *Governmental Activities* – The City's basic services are reported here, including public safety (police and fire) and general government (general administration and public improvements). Interest payments on the City's debt are also reported here. Sales tax, franchise fees, municipal court fines, and permit fees finance most of these activities.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The one category of City funds is governmental.

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 year. Such information may be useful in evaluating the City'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 balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund.

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

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

CITY OF ONALASKA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund and schedules of changes in net pension asset and total other postemployment benefits liability and related ratios and schedule of contributions for the Texas Municipal Retirement System. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows exceed liabilities and deferred inflows by \$2,926,761 as of year end. A portion of the City's net position, 46 percent, reflects its investments in capital assets (e.g., land, City hall, police station, fleet equipment, and streets) less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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 assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities	
	2021	2020
Current and other assets	\$ 2,087,462	\$ 1,867,769
Capital assets, net	1,439,702	1,013,486
Total Assets	3,527,164	2,881,255
Deferred outflows - pensions	11,175	10,665
Deferred outflows - OPEB	9,075	4,676
Total Deferred Outflows of Resources	20,250	15,341
Long-term liabilities	148,435	104,047
Other liabilities	398,685	8,160
Total Liabilities	547,120	112,207
Deferred inflows - pensions	65,716	40,607
Deferred inflows - OPEB	7,817	1,446
Total Deferred Inflows of Resources	73,533	42,053
Net Position:		
Net investment in capital assets	1,356,440	972,381
Restricted	24,077	19,742
Unrestricted	1,546,244	1,750,213
Total Net Position	\$ 2,926,761	\$ 2,742,336

A portion of the City's net position, \$24,077 or 1 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$1,546,244 or 53 percent, may be used to meet the City's ongoing obligation to citizens and creditors. Total Assets increased by

CITY OF ONALASKA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

\$645,909, which is primarily due to an increase in cash that was associated with funds received for the Coronavirus Relief Fund grant, operating surplus, and increase in net pension assets. Liabilities also increased due to unearned revenue from the Coronavirus Relief Fund grant.

Statement of Activities

The following table provides a summary of the City's changes in net position:

	Governmental Activities	
	2021	2020
Revenues		
Program revenues:		
Charges for services	\$ 206,057	\$ 367,724
Operating grants and contributions	393,986	153,573
General revenues:		
Sales tax	737,204	676,359
Other fees	233,217	219,946
Investment income	1,354	2,893
Other revenues	35,356	176,073
Total Revenues	1,607,174	1,596,568
Expenses		
General government	553,140	688,321
Public safety	861,388	777,541
Interest and fiscal agent fees on long-term debt	8,221	1,422
Total Expenses	1,422,749	1,467,284
Change in Net Position	184,425	129,284
Beginning net position	2,742,336	2,613,052
Ending Net Position	\$ 2,926,761	\$ 2,742,336

For the year ended September 30, 2021, revenues from governmental activities totaled \$1,607,174, which is a net increase of \$10,606. Charges for services decreased by \$161,667, which is primarily due to a decrease in citations collected for the City due to changes in personnel within the police department. Sales tax revenues increased by \$60,845 due to an increase in sales tax collections and other revenues decreased \$140,717 as a result of a decrease in Creeklake cove POA collections and a decrease in donations. Operating grants increased during the year by \$240,413, mainly due to funds received from the Coronavirus Relief Fund and the Texas Forest Service.

Total expenses were comparable to the prior year with an overall decrease of \$44,535 or 3 percent.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

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

CITY OF ONALASKA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

The City's general fund reflects a total fund balance of \$1,299,379, which is a decrease of \$231,100. Of this amount, \$24,077 is restricted for court security, technology, municipal jury, and truancy, \$26,842 is assigned to the court, and \$297,485 is assigned for public safety. The City has \$950,975 in unassigned fund balance. Total fund balance increased from the prior year as a result of increased sales tax, charges for services, and donations.

The general fund is the chief operating fund of the City. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 44 percent of total general fund expenditures, while total fund balance represents approximately 60 percent of that same amount.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted revenues were more than actual with a \$427,707 variance from the amended budget. Actual expenditures were less than planned expenditures by \$951,315. The City has an overall net positive variance of \$838,433, which was primarily due to budgeted capital outlay related to administration and fire expenditures in addition to unbudgeted lease proceeds.

CAPITAL ASSETS

At the end of the year, the City's governmental activities had invested \$1,439,702 (net of depreciation) in a variety of capital assets and infrastructure. This represents a net increase of \$426,216.

Major capital asset events during the current year include the following:

- Purchased new pumper for \$338,289
- Purchased police department dispatch console for \$58,054

More detailed information about the City's capital assets is presented in note III C. to the financial statements.

LONG-TERM DEBT

At the end of the current year, the City's long-term liabilities consisted of a capital lease, compensated absences, and total OPEB liability.

More detailed information about the City's long-term liabilities is presented in note III D. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City is located in Polk County. While the overall property values in Polk County have increased during the year, the City does not assess a property tax. The City continues to provide services to the residents without this burden. The City remains financially consistent with no unusual circumstances in the current economic environment. Fiscal restraints were placed on the 2021-2022 budget.

The City continues to face budgetary pressures on the expenditure side related to the economic conditions in the City and the COVID-19 pandemic. Although continued growth and stability are anticipated in fiscal year 2022 and beyond, there can be no assurances that the City's economic stability will not be negatively affected near-term by the pandemic that is still affecting the City.

CITY OF ONALASKA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City finances. Questions concerning this report or requests for additional financial information should be directed to Angela Stutts, City Secretary, City Hall, P.O. Box 880, Onalaska, Texas, 77360; telephone (936) 646-5000.

BASIC FINANCIAL STATEMENTS

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CITY OF ONALASKA, TEXAS

STATEMENT OF NET POSITION

September 30, 2021

	<u>Primary Government Governmental Activities</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 1,552,931
Receivables, net	387,014
	<u>1,939,945</u>
Noncurrent assets:	
Net pension asset	147,517
Nondepreciable capital assets	254,524
Net depreciable capital assets	1,185,178
	<u>1,587,219</u>
Total Assets	<u><u>3,527,164</u></u>
<u>Deferred Outflows of Resources</u>	
Deferred outflows - pensions	11,175
Deferred outflows - OPEB	9,075
	<u>20,250</u>
Total Deferred Outflows of Resources	<u>20,250</u>
<u>Liabilities</u>	
Accounts payable and accrued liabilities	31,095
Unearned revenue	367,590
	<u>398,685</u>
Noncurrent liabilities:	
Long-term liabilities due within one year	69,298
Long-term liabilities due in more than one year	79,137
	<u>148,435</u>
Total Liabilities	<u><u>547,120</u></u>
<u>Deferred Inflows of Resources</u>	
Deferred inflows - pensions	65,716
Deferred inflows - OPEB	7,817
	<u>73,533</u>
Total Deferred Inflows of Resources	<u>73,533</u>
<u>Net Position</u>	
Net investment in capital assets	1,356,440
Restricted for:	
Court security	18,520
Court technology	1,516
Municipal jury	2,330
Truancy	1,711
Unrestricted	1,546,244
	<u>1,546,244</u>
Total Net Position	<u><u>\$ 2,926,761</u></u>

See Notes to Financial Statements.

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CITY OF ONALASKA, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) And Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
Primary Government				
Governmental Activities				
General government	\$ 553,140	\$ 58,068	\$ -	\$ (495,072)
Public safety	861,388	147,989	393,986	(319,413)
Interest and fiscal agent fees on long-term debt	8,221	-	-	(8,221)
Total Governmental Activities	\$ 1,422,749	\$ 206,057	\$ 393,986	(822,706)
General Revenues:				
				737,204
Sales tax				233,217
Other fees				1,354
Investment income				35,356
Other revenues				1,007,131
			Total General Revenues	1,007,131
			Change in Net Position	184,425
			Beginning net position	2,742,336
			Ending Net Position	\$ 2,926,761

See Notes to Financial Statements.

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CITY OF ONALASKA, TEXAS

BALANCE SHEET

GOVERNMENTAL FUND

September 30, 2021

	<u>General</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 1,552,931
Accounts receivable	145,133
Total Assets	<u>\$ 1,698,064</u>
<u>Liabilities</u>	
Accounts payable and accrued liabilities	\$ 31,095
Unearned revenue	367,590
Total Liabilities	<u>398,685</u>
<u>Fund Balances</u>	
Restricted:	
Court security	18,520
Court technology	1,516
Municipal jury	2,330
Truancy	1,711
Assigned to:	
Court	26,842
Public Safety	297,485
Unassigned	950,975
Total Fund Balance	<u>1,299,379</u>
Adjustments for the Statement of Net Position:	
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental fund.	
Nondepreciable capital assets	254,524
Net depreciable capital assets	1,185,178
Certain accounts receivable, net of related allowance, are not current financial resources and, therefore, are not reported in the governmental fund.	241,881
Long-term assets and deferred outflows and inflows related to the pension and other postemployment benefits (OPEB) plans are not reported in the governmental fund.	
Net pension asset	147,517
Total OPEB liability	(31,457)
Deferred outflows - pensions	11,175
Deferred outflows - OPEB	9,075
Deferred inflows - pensions	(65,716)
Deferred inflows - OPEB	(7,817)
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Long-term liabilities due within one year	(69,298)
Long-term liabilities due in more than one year	(47,680)
Net Position of Governmental Activities	<u>\$ 2,926,761</u>

See Notes to Financial Statements.

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CITY OF ONALASKA, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
For the Year Ended September 30, 2021

	General
<u>Revenues</u>	
Sales tax	\$ 737,204
Other fees	233,217
Permits	58,068
Fines and forfeitures	145,124
Intergovernmental	214,499
Donations	179,487
Investment income	1,354
Other	35,356
Total Revenues	1,604,309
 <u>Expenditures</u>	
Current:	
General government	519,210
Public safety	827,277
Capital outlay	522,858
Debt service:	
Principal payments	272,668
Interest expense	8,221
Total Expenditures	2,150,234
Deficiency of Revenues (Under) Expenditures	(545,925)
 <u>Other Financing Sources (Uses)</u>	
Capital lease proceeds	314,825
Total Other Financing Sources	314,825
Net Change in Fund Balance	(231,100)
Beginning fund balance	1,530,479
Ending Fund Balance	\$ 1,299,379

See Notes to Financial Statements.

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CITY OF ONALASKA, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Net changes in fund balance – total governmental fund \$ (231,100)

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

The governmental fund reports capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	522,858
Depreciation expense	(96,642)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental fund reports the effect of premiums, discounts, and similar items when it is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Capital lease proceeds	(314,825)
Principal payment	272,668

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund.

Fines and fees receivable	2,865
---------------------------	-------

The net pension asset, total OPEB liability, and deferred outflows and inflows related to pensions and OPEB are not reported in the governmental funds.

Net pension asset	57,403
Total OPEB liability	(168)
Deferred outflows - pensions	(35,427)
Deferred outflows - OPEB	275
Deferred inflows - pensions	10,828
Deferred inflows - OPEB	(2,247)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.

Compensated absences	(2,063)
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Change in Net Position of Governmental Activities	\$ 184,425
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See Notes to Financial Statements.

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CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Onalaska, Texas (the “City”) was incorporated under the laws of the State of Texas (the “State”) in 1971. The City operates as a “General Law” city, which provides for a “Mayor-Council” form of government. The City provides the following services: public safety and general government.

The City is an independent political subdivision of the State governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. No other entities have been included in the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with the prescribed criteria considered in determining that the City’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely on a significant extent on fees and charges to external customers for support. The City does not report any business-type activities.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund. Separate financial statements are provided for the governmental fund.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City’s funds. Separate statements for each fund category, governmental, are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

The City reports the following governmental fund:

The *general fund* is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include sales and use taxes, franchise fees, permits and fees, and fines and forfeitures. Expenditures include general government and public safety. The general fund is always considered a major fund for reporting purposes.

E. Measurement Focus and Basis of Accounting

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

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

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

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

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

1. Cash and Cash Equivalents

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

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

2. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Vehicles	3 to 15 years
Furniture and equipment	5 to 15 years
Infrastructure	50 years
Buildings and improvements	15 to 30 years

3. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

4. Compensated Employee Absences

The City's leave time policy allows vacation and sick days to be rolled over into the following fiscal year in which they were earned in accordance with the City's personnel policy. Both vacation and sick may be paid upon termination of employment. Additionally, amounts accumulated for compensatory time may be paid to employees upon termination of employment in accordance with the City's personnel policy. The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated compensatory time that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

5. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

6. Net Position Flow Assumption

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

7. Fund Balance Flow Assumptions

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

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

8. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

9. Estimates

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

10. Pensions

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

11. Other Postemployment Benefits

The City participates in a single-employer, unfunded, defined benefit group-term life insurance plan operated by 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 funding policy for the SDBF program is to assure that adequate resources are available to meet all

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer’s yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City’s OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

An annual budget is adopted on a basis consistent with generally accepted accounting principles for the general fund. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control is the expenditure function level in the approved budget. Management may not amend the budget without the approval of City Council. Appropriations lapse at the end of the year.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Custodial credit risk – deposits. In the case of deposits, this is the risk that the City’s deposits may not be returned in the event of a bank failure. The City’s investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of year end, FDIC insurance and securities pledged exceeded bank balances.

B. Receivables

The following comprise receivable balances at year end:

	General
Sales tax receivable	\$ 133,374
Mixed beverage tax receivable	1,726
Franchise fees receivable	10,033
Total	\$ 145,133

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

C. Capital Assets

A summary of changes in capital assets at year end is as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	(Decreases)	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 44,634	\$ -	\$ -	\$ 44,634
Construction in progress	162,317	47,573	-	209,890
Total capital assets not being depreciated	<u>206,951</u>	<u>47,573</u>	<u>-</u>	<u>254,524</u>
Other capital assets:				
Infrastructure	1,349,121	-	-	1,349,121
Buildings and improvements	561,617	-	-	561,617
Vehicles	1,389,092	338,289	-	1,727,381
Equipment	270,743	136,996	(43,247)	364,492
Total other capital assets	<u>3,570,573</u>	<u>475,285</u>	<u>(43,247)</u>	<u>4,002,611</u>
Less accumulated depreciation for:				
Infrastructure	(793,758)	(37,549)	-	(831,307)
Buildings and improvements	(428,706)	(9,445)	-	(438,151)
Vehicles	(1,296,354)	(41,649)	-	(1,338,003)
Equipment	(245,220)	(7,999)	43,247	(209,972)
Total accumulated depreciation	<u>(2,764,038)</u>	<u>(96,642)</u>	<u>43,247</u>	<u>(2,817,433)</u>
Other capital assets, net	806,535	378,643	-	1,185,178
Governmental Activities Capital Assets, Net	<u>\$ 1,013,486</u>	<u>\$ 426,216</u>	<u>\$ -</u>	<u>1,439,702</u>
				<u>(83,262)</u>
				<u>Net Investment in Capital Assets</u>
				<u>\$ 1,356,440</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 39,334
Public safety	57,308
Total Governmental Activities Depreciation Expense	<u><u>\$ 96,642</u></u>

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

D. Long-Term Debt

The following is a summary of changes in the City’s total governmental long-term liabilities for the year. The City uses the general fund to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Capital leases	\$ 41,105	\$ 314,825	\$ (272,668)	\$ 83,262	* \$ 38,954
Other liabilities:					
Compensated absences	31,653	66,433	(64,370)	33,716	30,344
Total OPEB liability	<u>31,289</u>	<u>168</u>	<u>-</u>	<u>31,457</u>	<u>-</u>
Total Governmental Activities	<u>\$ 104,047</u>	<u>\$ 381,426</u>	<u>\$ (337,038)</u>	<u>\$ 148,435</u>	<u>\$ 69,298</u>
				<u>\$ 79,137</u>	
				<u>\$ 83,262</u>	

The City entered into a new three-year contract for new software for the police department during the current fiscal year. The third and final payment will be during the 2022 fiscal year. In addition, there was a new capital lease for a fire truck that was paid off during the year.

Long-term liabilities applicable to the City’s governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in the governmental fund, but rather is recognized as an expenditure when due.

The general fund liquidates the governmental activities portion of the compensated absences liability and the total OPEB liability.

Annual debt service requirements to retire outstanding capital leases are as follows:

<u>Year Ending Sept. 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 38,954	\$ 447
2023	44,308	36
Total	<u>\$ 83,262</u>	<u>\$ 483</u>

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Assets:	
Vehicles	\$ 52,358
Less: accumulated depreciation	<u>(23,563)</u>
Total	<u>\$ 28,795</u>

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three fiscal years.

B. Contingent Liabilities

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

C. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 895 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.tmr.com.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

12, 24, or 36 monthly payments, which cannot exceed 75 percent of the member's deposits and interest.

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

	2021	2020
Employee deposit rate	5.00%	5.00%
Matching ratio (City to employee)	1.5 to 1	1.5 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/20	60/5, 0/25
Updated service credit	0%	0%
Annuity increase (to retirees)	0% of CPI	0% of CPI

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to, but not yet receiving, benefits	18
Active employees	12
Total	34

Contributions

The contribution rates for employees in TMRS are either five percent, six percent, or seven percent of employee gross earnings, and the City-matching percentages are either 100 percent, 150 percent, or 200 percent, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute five percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 2.09 percent and 2.42 percent in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2021 were \$14,003, which were equal to the required contributions.

Net Pension Asset

The City's Net Pension Asset (NPA) was measured as of December 31, 2020 and the Total Pension Liability (TPA) used to calculate the NPA was determined by an actuarial valuation as of that date.

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Actuarial Assumptions

The TPL in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	<u>100.00%</u>	

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Discount Rate

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

Changes in the NPA

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Asset (A) - (B)
Changes for the year:			
Service cost	\$ 47,209	\$ -	\$ 47,209
Interest	22,787	-	22,787
Change in current period benefits	4,355	-	4,355
Difference between expected and actual experience	(57,299)	-	(57,299)
Changes in assumptions	-	-	-
Contributions - employer	-	12,405	(12,405)
Contributions - employee	-	29,213	(29,213)
Net investment income	-	33,060	(33,060)
Benefit payments, including refunds of employee contributions	(72,321)	(72,321)	-
Administrative expense	-	(214)	214
Other changes	-	(9)	9
Net Changes	(55,269)	2,134	(57,403)
Balance at December 31, 2019	345,787	435,901	(90,114)
Balance at December 31, 2020	\$ 290,518	\$ 438,035	\$ (147,517)

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Sensitivity of the NPA to Changes in the Discount Rate

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

	1% Decrease	Current Rate	1% Increase
	5.75%	6.75%	7.75%
City's Net Pension (Asset)	\$ (101,906)	\$ (147,517)	\$ (185,297)

Pension Plan Fiduciary Net Position

Detailed information about the TMRS's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2021, the City recognized pension income of \$19,559.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 54,995
Changes in actuarial assumptions	552	-
Difference between projected and actual investment earnings	-	10,721
Contributions subsequent to the measurement date	10,623	-
Total	\$ 11,175	\$ 65,716

\$10,623 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase to the NPA for the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense
2022	\$ (33,414)
2023	(16,761)
2024	(14,265)
2025	(724)
Total	\$ (65,164)

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

D. Other Postemployment Benefits

TMRS – Supplemental Death Benefit

Plan Description

The City participates in a defined benefit OPEB plan administered by TMRS. TMRS administers a defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. 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.

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 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). Participation in the SDBF as of December 31, 2020 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to, but not yet receiving, benefits	1
	<u>12</u>
Total	<u><u>17</u></u>

Total OPEB Liability

The City’s total OPEB liability of \$31,457 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Actuarial Assumptions and Other Inputs

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

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.00%*
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.50% and 3.00% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 1,753
Interest	881
Differences between expected and actual experience	(6,434)
Changes of assumptions	4,260
Benefit payments*	(292)
	Net Changes
	168
Beginning balance	31,289
	Ending Balance
	\$ 31,457

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

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

CITY OF ONALASKA, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

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

	1% Decrease 1.0%	Current Discount Rate 2.0%	1% Increase 3.0%
City's Total OPEB Liability	\$ 38,709	\$ 31,457	\$ 26,021

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of \$2,764. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 296	\$ 6,832
Changes in actuarial assumptions	8,271	985
Contributions subsequent to the measurement date	508	-
Total	\$ 9,075	\$ 7,817

\$508 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the of total OPEB liability for the fiscal year ending September 30, 2022. Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended September 30	OPEB Expense Amount
2022	\$ 130
2023	130
2024	45
2025	(28)
2026	449
Thereafter	24
Total	\$ 750

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF ONALASKA, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Budget as</u>		<u>Final Budget</u>
	<u>Budget</u>	<u>Amended</u>		<u>Positive</u>
				<u>(Negative)</u>
<u>Revenues</u>				
Sales tax	\$ 600,000	\$ 650,000	\$ 737,204	\$ 87,204
Other fees	214,700	214,742	233,217	18,475
Permits	20,000	20,000	58,068	38,068
Fines and forfeitures	206,000	206,000	145,124	(60,876)
Intergovernmental	796,584	796,584	214,499	(582,085)
Donations	102,000	102,000	179,487	77,487
Investment income	1,940	1,940	1,354	(586)
Other	40,750	40,750	35,356	(5,394)
Total Revenues	<u>1,981,974</u>	<u>2,032,016</u>	<u>1,604,309</u>	<u>(427,707)</u>
<u>Expenditures</u>				
Current:				
General government				
Administration	1,067,633	1,098,395	409,591	688,804
Municipal court	114,451	131,614	109,619	21,995
Total General Government	<u>1,182,084</u>	<u>1,230,009</u>	<u>519,210</u>	<u>710,799</u>
Public safety				
Police	537,753	715,752	684,258	31,494
Fire	248,050	351,681	143,019	208,662
Total Public Safety	<u>785,803</u>	<u>1,067,433</u>	<u>827,277</u>	<u>240,156</u>
Capital outlay	<u>438,400</u>	<u>522,858</u>	<u>522,858</u>	<u>-</u>
Debt service				
Principal	264,375	272,668	272,668	-
Interest	7,625	8,581	8,221	360
Total Debt Service	<u>272,000</u>	<u>281,249</u>	<u>280,889</u>	<u>360</u>
Total Expenditures	<u>2,678,287</u>	<u>3,101,549</u>	<u>2,150,234</u>	<u>951,315</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(696,313)	(1,069,533)	(545,925)	523,608
<u>Other Financing Sources (Uses)</u>				
Capital leases	-	-	314,825	314,825
Total Financing Sources	<u>-</u>	<u>-</u>	<u>314,825</u>	<u>314,825</u>
Net Change in Fund Balance	<u>\$ (696,313)</u>	<u>\$ (1,069,533)</u>	<u>(231,100)</u>	<u>\$ 838,433</u>
Beginning fund balance			<u>1,530,479</u>	
Ending Fund Balance			<u>\$ 1,299,379</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF ONALASKA, TEXAS
SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
September 30, 2021

	Measurement Year*			
	2014	2015	2016	2017
Total Pension Liability				
Service cost	\$ 26,644	\$ 31,518	\$ 37,192	\$ 36,652
Interest (on the total pension liability)	13,818	16,014	18,867	22,186
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	2,785	592	2,264	(6,529)
Change in assumptions	-	10,186	-	-
Benefit payments, including refunds of employee contributions	(12,668)	(15,964)	(4,841)	(12,940)
Net Change in Total Pension Liability	<u>30,579</u>	<u>42,346</u>	<u>53,482</u>	<u>39,369</u>
Beginning total pension liability	<u>190,414</u>	<u>220,993</u>	<u>263,339</u>	<u>316,821</u>
Ending Total Pension Liability	<u><u>\$ 220,993</u></u>	<u><u>\$ 263,339</u></u>	<u><u>\$ 316,821</u></u>	<u><u>\$ 356,190</u></u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 4,144	\$ 6,211	\$ 7,476	\$ 12,540
Contributions - employee	18,551	21,737	23,158	23,495
Net investment income	14,241	403	19,224	45,658
Benefit payments, including refunds of employee contributions	(12,668)	(15,964)	(4,841)	(12,940)
Administrative expense	(149)	(245)	(218)	(237)
Other	(12)	(13)	(12)	(12)
Net Change in Plan Fiduciary Net Position	<u>24,107</u>	<u>12,129</u>	<u>44,787</u>	<u>68,505</u>
Beginning plan fiduciary net position	<u>248,992</u>	<u>273,099</u>	<u>285,228</u>	<u>330,015</u>
Ending Plan Fiduciary Net Position	<u><u>\$ 273,099</u></u>	<u><u>\$ 285,228</u></u>	<u><u>\$ 330,015</u></u>	<u><u>\$ 398,520</u></u>
Net Pension (Asset)	<u><u>\$ (52,106)</u></u>	<u><u>\$ (21,889)</u></u>	<u><u>\$ (13,194)</u></u>	<u><u>\$ (42,330)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	123.58%	108.31%	104.16%	111.88%
Covered payroll	\$ 371,014	\$ 434,734	\$ 463,163	\$ 469,902
City's net pension asset as a percentage of covered payroll	(14.04%)	(5.04%)	(2.85%)	(9.01%)

*Only seven years of information is currently available. The City will build this schedule over the next three-year period.

Measurement Year*

2018	2019	2020
\$ 36,538	\$ 39,104	\$ 47,209
23,160	21,328	22,787
-	-	4,355
(49,357)	(4,692)	(57,299)
-	1,065	-
(62,685)	(14,864)	(72,321)
<u>(52,344)</u>	<u>41,941</u>	<u>(55,269)</u>
356,190	303,846	345,787
<u>\$ 303,846</u>	<u>\$ 345,787</u>	<u>\$ 290,518</u>

\$ 11,702	\$ 12,971	\$ 12,405
22,951	24,501	29,213
(11,927)	55,297	33,060
(62,685)	(14,864)	(72,321)
(231)	(313)	(214)
(12)	(10)	(9)
<u>(40,201)</u>	<u>77,582</u>	<u>2,134</u>
398,520	358,319	435,901
<u>\$ 358,319</u>	<u>\$ 435,901</u>	<u>\$ 438,035</u>
<u>\$ (54,473)</u>	<u>\$ (90,114)</u>	<u>\$ (147,517)</u>

117.93% 126.06% 150.78%

\$ 459,019 \$ 490,023 \$ 584,265

(11.87%) (18.39%) (25.25%)

CITY OF ONALASKA, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
September 30, 2021

	Fiscal Year*			
	2015	2016	2017	2018
Actuarially determined contribution	\$ 5,710	\$ 7,329	\$ 11,134	\$ 11,725
Contributions in relation to the actuarially determined contribution	5,710	7,329	11,134	11,725
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 409,464	\$ 464,213	\$ 466,272	\$ 455,187
Contributions as a percentage of covered payroll	1.39%	1.58%	2.39%	2.58%

*Only seven years of information is currently available. The City will build this schedule over the next three-year period.

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	N/A
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
Salary increases	3.5% to 11.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience - based table of rates that are specific to the City's plan of benefits. Last updated for the 2020 valuation pursuant to an experience study of the period December 31,2014 - 2018.
Mortality	Post-retirement: 2020 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.

3. Other Information:

Adopted 20 year, any age retirement eligibility

Fiscal Year*

<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 13,076	\$ 13,626	\$ 14,003
<u>13,076</u>	<u>13,626</u>	<u>14,003</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 481,555	\$ 574,997	\$ 570,656
2.72%	2.37%	2.45%

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CITY OF ONALASKA, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
September 30, 2021

	Measurement Year*			
	2017	2018	2019	2020
Total OPEB Liability				
Service cost	\$ 1,081	\$ 1,193	\$ 1,078	\$ 1,753
Interest (on the total OPEB liability)	858	885	900	881
Differences between expected and actual experience	-	(2,560)	411	(6,434)
Change in assumptions	2,183	(1,775)	5,277	4,260
Benefit payments	(141)	(138)	(196)	(292)
Net Change in Total OPEB Liability	<u>3,981</u>	<u>(2,395)</u>	<u>7,470</u>	<u>168</u>
Beginning total OPEB liability	<u>22,233</u>	<u>26,214</u>	<u>23,819</u>	<u>31,289</u>
Ending Total OPEB Liability	<u><u>\$ 26,214</u></u>	<u><u>\$ 23,819</u></u>	<u><u>\$ 31,289</u></u>	<u><u>\$ 31,457</u></u>
Covered Payroll	\$ 469,902	\$ 459,019	\$ 490,023	\$ 584,265
Total OPEB Liability as a Percentage of Covered Payroll	5.58%	5.19%	6.39%	5.38%

* Only four years of information is currently available. The City will build this schedule over the next six-year period.

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

Notes to Required Supplementary Information:

- 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
Inflation	2.5%
Salary increases	3.5% to 11.5% including inflation
Discount rate	2.00%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

3. Other Information:

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

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

The actuarial assumptions used in the December 21, 2020 valuation were based on the results of an actuarial experience study for period December 31, 2014 to December 31, 2018.

There were no benefit changes during the year.

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SCHEDULES

CITY OF ONALASKA, TEXAS
COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES
GENERAL FUND - DEPARTMENTS
September 30, 2021

<u>Assets</u>	<u>Administration</u>	<u>Court</u>	<u>Police</u>	<u>Fire</u>
Current assets:				
Cash and cash equivalents	\$ 1,184,793	\$ 69,247	\$ 26,179	\$ 272,712
Accounts receivable	145,133	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 1,329,926	\$ 69,247	\$ 26,179	\$ 272,712
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 11,361	\$ 18,328	\$ 1,406	\$ -
Unearned revenue	367,590	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	378,951	18,328	1,406	-
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Fund Balances</u>				
Restricted:				
Court security	-	18,520	-	-
Court technology	-	1,516	-	-
Municipal jury	-	2,330	-	-
Truancy	-	1,711	-	-
Assigned	-	26,842	24,773	272,712
Unassigned	950,975	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	950,975	50,919	24,773	272,712
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 1,329,926	\$ 69,247	\$ 26,179	\$ 272,712
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Total
General
Fund
Departments**

\$ 1,552,931
145,133

\$ 1,698,064

\$ 31,095
367,590
398,685

18,520
1,516
2,330
1,711
324,327
950,975
1,299,379

\$ 1,698,064

CITY OF ONALASKA, TEXAS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND - DEPARTMENTS
For the Year Ended September 30, 2021

	<u>Administration</u>	<u>Court</u>	<u>Police</u>	<u>Fire</u>
Revenues				
Sales tax	\$ 737,204	\$ -	\$ -	\$ -
Other fees	233,217	-	-	-
Permits	58,068	-	-	-
Fines and forfeitures	-	145,124	-	-
Intergovernmental	111,584	-	57,842	45,073
Donations	-	-	-	179,487
Investment income	869	18	14	453
Other	24,619	-	10,737	-
Total Revenues	<u>1,165,561</u>	<u>145,142</u>	<u>68,593</u>	<u>225,013</u>
Expenditures				
Current:				
General government				
Salaries and payroll expense	269,052	69,905	-	-
Insurance	5,919	-	-	-
Repairs and maintenance	21,957	-	-	-
Legal and professional	24,801	-	-	-
Administrative and office expense	87,862	39,486	-	-
State court fees	-	228	-	-
Public safety				
Salaries and payroll expense	-	-	486,524	-
Insurance	-	-	19,257	20,581
Repairs and maintenance	-	-	152,642	55,074
Administrative and office expense	-	-	25,835	27,900
Donations expense	-	-	-	39,464
Capital outlay	-	-	90,754	432,104
Debt service				
Principal	-	-	34,379	238,289
Interest	-	-	956	7,265
Total Expenditures	<u>409,591</u>	<u>109,619</u>	<u>810,347</u>	<u>820,677</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures				
	<u>755,970</u>	<u>35,523</u>	<u>(741,754)</u>	<u>(595,664)</u>
Other Financing Sources (Uses)				
Capital lease proceeds	-	-	76,536	238,289
Transfers in	25,000	-	690,000	68,750
Transfers (out)	(758,750)	(25,000)	-	-
Total Other Financing Sources (Uses)	<u>(733,750)</u>	<u>(25,000)</u>	<u>766,536</u>	<u>307,039</u>
Net Change in Fund Balances				
	22,220	10,523	24,782	(288,625)
Beginning fund balances	<u>928,755</u>	<u>40,396</u>	<u>(9)</u>	<u>561,337</u>
Ending Fund Balances	<u>\$ 950,975</u>	<u>\$ 50,919</u>	<u>\$ 24,773</u>	<u>\$ 272,712</u>

<u>Eliminations</u>	<u>Total General Fund Departments</u>
\$ -	\$ 737,204
-	233,217
-	58,068
-	145,124
-	214,499
-	179,487
-	1,354
-	35,356
-	<u>1,604,309</u>
-	338,957
-	5,919
-	21,957
-	24,801
-	127,348
-	228
-	486,524
-	39,838
-	207,716
-	53,735
-	39,464
-	522,858
-	272,668
-	8,221
-	<u>2,150,234</u>
-	<u>(545,925)</u>
-	314,825
783,750	-
(783,750)	-
-	<u>314,825</u>
-	(231,100)
-	<u>1,530,479</u>
\$ -	\$ <u>1,299,379</u>

CITY OF ONALASKA, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND DEPARTMENTS - ADMINISTRATION
For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Sales tax	\$ 600,000	\$ 650,000	\$ 737,204	\$ 87,204
Other fees	214,700	214,742	233,217	18,475
Permits	20,000	20,000	58,068	38,068
Intergovernmental	386,584	386,584	111,584	(275,000)
Investment income	1,400	1,400	869	(531)
Other	39,850	39,850	24,619	(15,231)
Total Revenues	<u>1,262,534</u>	<u>1,312,576</u>	<u>1,165,561</u>	<u>(147,015)</u>
<u>Expenditures</u>				
Current:				
General government				
Salaries and payroll expense	277,368	308,130	269,052	39,078
Insurance	7,120	7,120	5,919	1,201
Repairs and maintenance	620,980	620,980	21,957	599,023
Legal and professional	29,200	29,200	24,801	4,399
Administrative and office expense	132,965	132,965	87,862	45,103
Total Expenditures	<u>1,067,633</u>	<u>1,098,395</u>	<u>409,591</u>	<u>688,804</u>
Excess of Revenues Over Expenditures	<u>194,901</u>	<u>214,181</u>	<u>755,970</u>	<u>541,789</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	100,000	100,000	25,000	(75,000)
Transfers (out)	(575,000)	(575,000)	(758,750)	(183,750)
Total Other Financing (Uses)	<u>(475,000)</u>	<u>(475,000)</u>	<u>(733,750)</u>	<u>(258,750)</u>
Net Change in Fund Balance	<u>\$ (280,099)</u>	<u>\$ (260,819)</u>	<u>22,220</u>	<u>\$ 283,039</u>
Beginning fund balance			<u>928,755</u>	
Ending Fund Balance			<u>\$ 950,975</u>	

CITY OF ONALASKA, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND DEPARTMENTS - MUNICIPAL COURT
For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fines and forfeitures	\$ 206,000	\$ 206,000	\$ 145,124	\$ (60,876)
Investment income	40	40	18	(22)
Total Revenues	<u>206,040</u>	<u>206,040</u>	<u>145,142</u>	<u>(60,898)</u>
<u>Expenditures</u>				
Current:				
General government				
Salaries and payroll expense	69,801	82,853	69,905	12,948
Administrative and office expense	44,400	44,400	39,486	4,914
State court fees	250	4,361	228	4,133
Total Expenditures	<u>114,451</u>	<u>131,614</u>	<u>109,619</u>	<u>21,995</u>
Excess of Revenues Over Expenditures	<u>91,589</u>	<u>74,426</u>	<u>35,523</u>	<u>(38,903)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(100,000)	(100,000)	(25,000)	75,000
Total Other Financing (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(25,000)</u>	<u>75,000</u>
Net Change in Fund Balance	<u>\$ (8,411)</u>	<u>\$ (25,574)</u>	<u>10,523</u>	<u>\$ 36,097</u>
Beginning fund balance			<u>40,396</u>	
Ending Fund Balance			<u>\$ 50,919</u>	

CITY OF ONALASKA, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND DEPARTMENTS - POLICE DEPARTMENT
For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
Revenues				
Intergovernmental	\$ 65,000	\$ 65,000	\$ 57,842	\$ (7,158)
Investment income	-	-	14	14
Other	900	900	10,737	9,837
Total Revenues	<u>65,900</u>	<u>65,900</u>	<u>68,593</u>	<u>2,693</u>
Expenditures				
Current:				
Public safety				
Salaries and payroll expense	434,703	492,560	486,524	6,036
Insurance	20,050	20,050	19,257	793
Repairs and maintenance	32,500	152,642	152,642	-
Administrative and office expense	50,500	50,500	25,835	24,665
Capital outlay	18,400	90,754	90,754	-
Debt service				
Principal	18,000	34,379	34,379	-
Interest	-	956	956	-
Total Expenditures	<u>574,153</u>	<u>841,841</u>	<u>810,347</u>	<u>31,494</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(508,253)</u>	<u>(775,941)</u>	<u>(741,754)</u>	<u>34,187</u>
Other Financing Sources (Uses)				
Capital lease proceeds	-	-	76,536	76,536
Transfers in	500,000	500,000	690,000	190,000
Total Other Financing Sources	<u>500,000</u>	<u>500,000</u>	<u>766,536</u>	<u>266,536</u>
Net Change in Fund Balance	<u>\$ (8,253)</u>	<u>\$ (275,941)</u>	24,782	<u>\$ 300,723</u>
Beginning fund balance			<u>(9)</u>	
Ending Fund Balance			<u>\$ 24,773</u>	

CITY OF ONALASKA, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND DEPARTMENTS - FIRE DEPARTMENT
For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Budget as</u>		<u>Final Budget</u>
	<u>Budget</u>	<u>Amended</u>		<u>Positive</u>
				<u>(Negative)</u>
<u>Revenues</u>				
Intergovernmental	\$ 345,000	\$ 345,000	\$ 45,073	\$ (299,927)
Donations	102,000	102,000	179,487	77,487
Investment income	500	500	453	(47)
Total Revenues	<u>447,500</u>	<u>447,500</u>	<u>225,013</u>	<u>(222,487)</u>
<u>Expenditures</u>				
Current:				
Public safety				
Insurance	16,950	20,581	20,581	-
Repairs and maintenance	136,500	236,500	55,074	181,426
Administrative and office expense	52,100	52,100	27,900	24,200
Donations expense	42,500	42,500	39,464	3,036
Capital outlay	420,000	432,104	432,104	-
Debt service				
Principal payments	246,375	238,289	238,289	-
Interest expense	7,625	7,625	7,265	360
Total Expenditures	<u>922,050</u>	<u>1,029,699</u>	<u>820,677</u>	<u>209,022</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(474,550)</u>	<u>(582,199)</u>	<u>(595,664)</u>	<u>(13,465)</u>
<u>Other Financing Sources (Uses)</u>				
Capital lease proceeds	-	-	238,289	238,289
Transfers in	75,000	75,000	68,750	(6,250)
Total Other Financing Sources	<u>75,000</u>	<u>75,000</u>	<u>307,039</u>	<u>232,039</u>
Net Change in Fund Balance	<u>\$ (399,550)</u>	<u>\$ (507,199)</u>	<u>(288,625)</u>	<u>\$ 218,574</u>
Beginning fund balance			<u>561,337</u>	
Ending Fund Balance			<u>\$ 272,712</u>	

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