

*ANNUAL FINANCIAL REPORT*

of the

**CITY OF MEADOWS PLACE,  
TEXAS**

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

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# **CITY OF MEADOWS PLACE, 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 Meadows Place, Texas:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of the City of Meadows Place, 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, the discretely presented component unit, and each major fund of the City as of September 30, 2021, and the respective changes in financial position 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 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 combining and other schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and other 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 combining and other schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The logo for Belt Harris Pechacek, LLP features the firm's name in a stylized, cursive script. The letters 'B', 'H', and 'P' are significantly larger and more ornate than the other letters, which are in a smaller, simpler font. The full name 'BELT HARRIS PECHACEK, LLP' is written in a serif font below the script.

Belt Harris Pechacek, LLP  
Certified Public Accountants  
Houston, Texas  
March 23, 2022

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

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# CITY OF MEADOWS PLACE, TEXAS

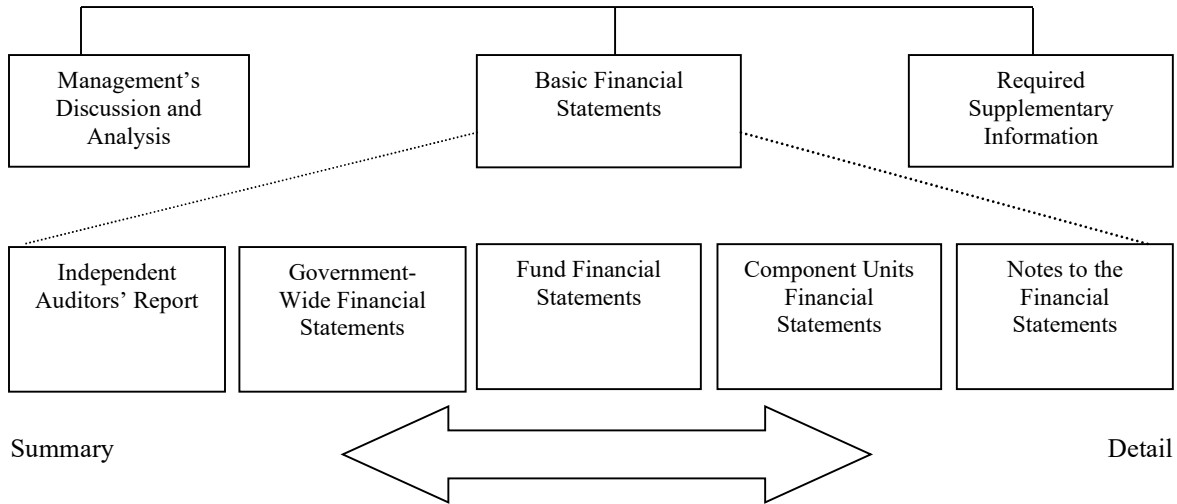
## MANAGEMENT'S DISCUSSION AND ANALYSIS

**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 Meadows Place, Texas (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

## Components of the Financial Section



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 method 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 in order to assess the overall health of the City.

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

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

occurs, regardless of the timing of related cash flows – the accrual method rather than the modified accrual method that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities present the City's financials as one class of activity:

1. *Governmental Activities* – The City's basic services are reported here, including general government, public safety, public works which includes water, wastewater, and garbage collection services, and parks and recreation. Property tax, sales tax, franchise fees, municipal court fines, permit fees, and charges for services finance most of these activities.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate economic development corporation. Financial information for the economic development corporation is reported separately from the financial information presented for the primary government itself.

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 City uses only one category of funds, which 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 balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains three 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 which is always considered a major fund for reporting purposes. The debt service fund and the capital projects fund did not meet the technical criteria to be presented as major funds, however, the City has elected to present them as major due to their significance.

The City adopts an annual appropriated budget for its general fund and the debt service fund. Budgetary comparison schedules have been provided for both of these funds to demonstrate compliance with their respective budgets.

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

**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.

**Other Information**

In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general fund, schedules of changes in net pension 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 of resources exceed liabilities and deferred inflows by \$34,640,716 as of year end in the primary government. The largest portion of the City's net position, 83 percent, reflects its investments in capital assets (e.g., land, City Hall, streets, and equipment), 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, if applicable, must be provided from other sources since the assets themselves cannot be used to liquidate these liabilities.

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

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

	<b>Governmental Activities</b>		<b>Component Unit</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 9,236,349	\$ 8,379,293	\$ 866,963	\$ 947,874
Capital assets, net	28,860,681	28,775,998	-	-
<b>Total Assets</b>	<b>38,097,030</b>	<b>37,155,291</b>	<b>866,963</b>	<b>947,874</b>
Deferred outflows - pensions	254,094	646,311	-	-
Deferred outflows - OPEB	33,258	21,528	-	-
<b>Total Deferred Outflows of Resources</b>	<b>287,352</b>	<b>667,839</b>	<b>-</b>	<b>-</b>
Long-term liabilities	2,598,104	2,427,843	-	-
Other liabilities	928,956	557,254	1,308	131
<b>Total Liabilities</b>	<b>3,527,060</b>	<b>2,985,097</b>	<b>1,308</b>	<b>131</b>
Deferred inflows - pensions	211,194	620,870	-	-
Deferred inflows - OPEB	5,412	8,021	-	-
<b>Total Deferred Inflows of Resources</b>	<b>216,606</b>	<b>628,891</b>	<b>-</b>	<b>-</b>
<b>Net Position:</b>				
Net investment in capital assets	28,860,681	28,777,281	-	-
Restricted	311,769	388,849	-	-
Unrestricted	5,468,266	5,043,012	865,655	947,743
<b>Total Net Position</b>	<b>\$ 34,640,716</b>	<b>\$ 34,209,142</b>	<b>\$ 865,655</b>	<b>\$ 947,743</b>

A portion of the City's net position, \$311,769 or 1 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$5,468,266 or 16 percent, may be used to meet the City's ongoing obligation to citizens and creditors. Total assets increased in comparison to the prior year due to an operating surplus resulting in an increase in cash and cash equivalents. Long-term liabilities increased due to increases in the net pension and total OPEB liabilities. Other liabilities increased due to unearned revenue related to the American Rescue Plan Coronavirus State and Local Fiscal Recovery Funds received in advance.

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

**Statement of Activities**

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

	<b>Governmental Activities</b>		<b>Component Unit</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 2,416,449	\$ 2,481,763	\$ -	\$ -
Operating grants and contributions	182,676	358,537	-	-
Capital grants and contributions	425,000	-	-	-
General revenues:				
Property taxes	3,185,389	3,086,086	-	-
Sales taxes	1,460,087	1,244,692	445,527	383,560
Franchise fees and local taxes	264,338	277,624	-	-
Investment earnings	4,824	84,452	782	8,804
Other revenues	148,490	25,618	-	-
<b>Total Revenues</b>	<b>8,087,253</b>	<b>7,558,772</b>	<b>446,309</b>	<b>392,364</b>
<b>Expenses</b>				
General government	1,536,439	1,327,664	-	-
Public safety	2,643,669	2,628,677	-	-
Public works/Utilities	2,663,169	2,562,003	-	-
Parks and recreation	812,402	806,091	-	-
Interest on long-term debt	-	(363)	-	-
Economic development	-	-	528,397	256,531
<b>Total Expenses</b>	<b>7,655,679</b>	<b>7,324,072</b>	<b>528,397</b>	<b>256,531</b>
<b>Change in Net Position</b>	<b>431,574</b>	<b>234,700</b>	<b>(82,088)</b>	<b>135,833</b>
Beginning net position	34,209,142	33,974,442	947,743	811,910
<b>Ending Net Position</b>	<b>\$ 34,640,716</b>	<b>\$ 34,209,142</b>	<b>\$ 865,655</b>	<b>\$ 947,743</b>

For the year ended September 30, 2021, revenues from governmental activities totaled \$8,087,253, a net increase of \$528,481, or 7 percent, compared to the prior year. There was an increase in grants and contributions of \$ as a result of a capital contribution from the Meadows Place Economic Development Corporation for \$425,000 as well as funds received from for the Coronavirus Relief grant.

Expenses for governmental activities were comparable to the prior year with a net increase from 2020 of \$331,607, or 5 percent. This increase is mainly due to increases in personnel costs including pension and OPEB expenses.

**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 MEADOWS PLACE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2021**

The City's governmental funds reflect a combined fund balance of \$8,224,171. Of this, \$307,971 is restricted by enabling legislation, \$3,798 is restricted for debt service, \$106,352 is committed for roads repairs, \$50,000 is committed for facilities improvements, and \$7,756,050 is unassigned.

There was a net increase in the combined fund balance of \$521,118 in comparison to the prior year, which was primarily the result of an overall increase in the fund balance for the unassigned funds.

At the end of the fiscal year, unassigned fund balance in the general fund was \$7,756,050. The general fund had revenues that exceeded expenditures by \$506,882 and, after other financing sources, the net change in fund balance was \$520,382. 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 102 percent of total general fund expenditures, while total fund balance represents approximately 108 percent of that same amount.

General fund revenues increased compared to the prior year due mainly to contributions of \$425,000 from the EDC, an increase in sales tax revenues from improved sales within the City, and an increase in property tax revenues from increases in the assessed values of property within the City and the maintenance and operations tax rate. The City had a decrease in expenditures due to decreases in capital outlay related to prior year projects which was partially offset by increases in personnel costs.

The debt service fund had a fund balance of \$3,798 as of year end, an increase of \$2,019, which was a result of delinquent property tax collections during the fiscal year.

The capital project fund had a decrease of \$1,283 as of year end due to street repair expenditures.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Actual general fund revenues were more than amended budgeted revenues by \$320,730 during the year. This net positive variance is primarily attributable to a positive variance from the amended budget in intergovernmental revenue of \$307,676. General fund actual expenditures were less than the final budgeted expenditures by \$388,175 mainly due to various departments having less expenditures than anticipated. Overall, the general fund experienced a net positive variance of \$722,405 in the change in fund balance from the final amended budget in comparison to actual.

#### **CAPITAL ASSETS**

At the end of the year, the City's governmental activities had invested \$28,860,681, net of accumulated depreciation, in a variety of capital assets and infrastructure.

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 had total long-term liabilities of \$2,598,104 that consisted of a net pension and total OPEB liability and compensated absences. The City has no bonded debt outstanding for fiscal year 2021 as all bonds were fully paid off in the prior year.

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

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

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

The City's elected and appointed officials considered many factors when setting the fiscal year 2021/2022 budget and tax rate. Total budgeted expenditures are \$7,747,051 which is a decrease of 3.18 percent from the prior year's adopted budget. The City adopted a tax rate of \$0.832 which is the same tax rate as the prior year.

In January 2022, the City made the decision to use \$1,000,000 from City resources, \$150,000 from EDC resources and \$500,000 from the Utility fund for the reconstruction of Phase 1 of Dorrance Road. The contract to build was released at the end of March. This project is expected to be a multi-year project.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to City of Meadows Place, Texas, One Troyan Drive, Meadows Place Texas, 77477.

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## ***BASIC FINANCIAL STATEMENTS***

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# CITY OF MEADOWS PLACE, TEXAS

## STATEMENT OF NET POSITION

September 30, 2021

	Primary Government Governmental Activities	Component Unit
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 8,731,387	\$ 785,359
Receivables, net	504,949	81,604
Due from component unit	13	-
	<u>9,236,349</u>	<u>866,963</u>
Capital assets:		
Nondepreciable	8,651,770	-
Net depreciable capital assets	20,208,911	-
	<u>28,860,681</u>	<u>-</u>
<b>Total Assets</b>	<u>38,097,030</u>	<u>866,963</u>
<b><u>Deferred Outflows of Resources</u></b>		
Deferred outflows - pensions	254,094	-
Deferred outflows - OPEB	33,258	-
<b>Total Deferred Outflows of Resources</b>	<u>287,352</u>	<u>-</u>
<b><u>Liabilities</u></b>		
Accounts payable and accrued liabilities	270,113	1,295
Deposits payable	90,050	-
Unearned revenue	568,793	-
Due to primary government	-	13
	<u>928,956</u>	<u>1,308</u>
Noncurrent liabilities:		
Long-term liabilities due within one year	50,473	-
Long-term liabilities due in more than one year	2,547,631	-
	<u>2,598,104</u>	<u>-</u>
<b>Total Liabilities</b>	<u>3,527,060</u>	<u>1,308</u>
<b><u>Deferred Inflows of Resources</u></b>		
Deferred inflows - pensions	211,194	-
Deferred inflows - OPEB	5,412	-
<b>Total Deferred Inflows of Resources</b>	<u>216,606</u>	<u>-</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	28,860,681	-
Restricted:		
Enabling legislation	307,971	-
Debt service	3,798	-
Unrestricted	5,468,266	865,655
<b>Total Net Position</b>	<u><u>\$ 34,640,716</u></u>	<u><u>\$ 865,655</u></u>

See Notes to Financial Statements.

# CITY OF MEADOWS PLACE, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 1,536,439	\$ 140,657	\$ 114,664	\$ -
Public safety	2,643,669	435,240	68,012	-
Public works/Utilities	2,663,169	1,840,552	-	425,000
Parks and recreation	812,402	-	-	-
<b>Total Governmental Activities</b>	<u>7,655,679</u>	<u>2,416,449</u>	<u>182,676</u>	<u>425,000</u>
<b>Total Primary Government</b>	<u>\$ 7,655,679</u>	<u>\$ 2,416,449</u>	<u>\$ 182,676</u>	<u>\$ 425,000</u>
<b>Component Unit</b>				
Meadows Place Economic				
Development Corporation	\$ 528,397	\$ -	\$ -	\$ -
<b>Total Component Unit</b>	<u>\$ 528,397</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
		<b>General Revenues:</b>		
		Taxes		
		Property taxes		
		Sales taxes		
		Franchise fees and local taxes		
		Investment earnings		
		Gain on sale of capital assets		
		Other revenues		
			<b>Total General Revenues</b>	
			<b>Change in Net Position</b>	
		Beginning net position		<b>Ending Net Position</b>

See Notes to Financial Statements.

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Primary Government</b>	
<b>Governmental Activities</b>	<b>Component Unit</b>
\$ (1,281,118)	\$ -
(2,140,417)	-
(397,617)	-
(812,402)	-
<u>(4,631,554)</u>	<u>-</u>
<u>(4,631,554)</u>	<u>-</u>
-	(528,397)
-	(528,397)
3,185,389	-
1,460,087	445,527
264,338	-
4,824	782
13,500	-
134,990	-
<u>5,063,128</u>	<u>446,309</u>
431,574	(82,088)
34,209,142	947,743
<u>\$ 34,640,716</u>	<u>\$ 865,655</u>

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# CITY OF MEADOWS PLACE, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

September 30, 2021

	General	Debt Service	Capital Projects	Total Governmental Funds
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 8,727,589	\$ 3,798	\$ -	\$ 8,731,387
Receivables	496,595	8,354	-	504,949
Due from other governments	13	-	-	13
<b>Total Assets</b>	<b>\$ 9,224,197</b>	<b>\$ 12,152</b>	<b>\$ -</b>	<b>\$ 9,236,349</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 270,113	\$ -	\$ -	\$ 270,113
Deposits payable	90,050	-	-	90,050
Unearned revenue	568,793	-	-	568,793
<b>Total Liabilities</b>	<b>928,956</b>	<b>-</b>	<b>-</b>	<b>928,956</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	74,868	8,354	-	83,222
<b><u>Fund Balances</u></b>				
Restricted:				
Enabling legislation	307,971	-	-	307,971
Debt service	-	3,798	-	3,798
Committed:				
Road repairs	106,352	-	-	106,352
Facilities improvements	50,000	-	-	50,000
Unassigned	7,756,050	-	-	7,756,050
<b>Total Fund Balances</b>	<b>8,220,373</b>	<b>3,798</b>	<b>-</b>	<b>8,224,171</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 9,224,197</b>	<b>\$ 12,152</b>	<b>\$ -</b>	<b>\$ 9,236,349</b>

See Notes to Financial Statements.



**CITY OF MEADOWS PLACE, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**

September 30, 2021

Total fund balances for governmental funds	\$ 8,224,171
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	
Capital assets - nondepreciable	8,651,770
Capital assets - net depreciable	20,208,911
Long-term liabilities and deferred outflows and deferred inflows of resources related to pensions and other postemployment benefits (OPEB) are not due and payable in current period and, therefore, are not reported in the fund.	
Net pension liability	(2,399,812)
Deferred outflows - pensions	254,094
Deferred inflows - pensions	(211,194)
Total OPEB liability	(142,211)
Deferred outflows - OPEB	33,258
Deferred inflows - OPEB	(5,412)
Noncurrent compensated absences due within one year	(50,473)
Noncurrent compensated absences due in more than one year	(5,608)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	83,222
<b>Net Position of Governmental Activities</b>	<b>\$ 34,640,716</b>

See Notes to Financial Statements.



**CITY OF MEADOWS PLACE, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2021

	General	Debt Service	Capital Projects	Total Governmental Funds
<b><u>Revenues</u></b>				
Property taxes	\$ 3,219,135	\$ 2,018	\$ -	\$ 3,221,153
Sales taxes	1,460,087	-	-	1,460,087
Franchise fees and local taxes	264,338	-	-	264,338
Licenses and permits	140,657	-	-	140,657
Fines and forfeitures	435,240	-	-	435,240
Intergovernmental	607,676	-	-	607,676
Charges for services	1,840,552	-	-	1,840,552
Investment earnings	4,823	1	-	4,824
Other revenue	134,990	-	-	134,990
<b>Total Revenues</b>	<b>8,107,498</b>	<b>2,019</b>	<b>-</b>	<b>8,109,517</b>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	1,037,039	-	-	1,037,039
Public safety	2,506,129	-	-	2,506,129
Public works/Utilities	2,454,428	-	-	2,454,428
Parks and recreation	797,203	-	-	797,203
<b>Capital outlay</b>	<b>805,817</b>	<b>-</b>	<b>1,283</b>	<b>807,100</b>
<b>Total Expenditures</b>	<b>7,600,616</b>	<b>-</b>	<b>1,283</b>	<b>7,601,899</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>506,882</b>	<b>2,019</b>	<b>(1,283)</b>	<b>507,618</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Sale of capital assets	13,500	-	-	13,500
<b>Total Other Financing Sources</b>	<b>13,500</b>	<b>-</b>	<b>-</b>	<b>13,500</b>
<b>Net Change in Fund Balances</b>	<b>520,382</b>	<b>2,019</b>	<b>(1,283)</b>	<b>521,118</b>
Beginning fund balances	7,699,991	1,779	1,283	7,703,053
<b>Ending Fund Balances</b>	<b>\$ 8,220,373</b>	<b>\$ 3,798</b>	<b>\$ -</b>	<b>\$ 8,224,171</b>

See Notes to Financial Statements.

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**CITY OF MEADOWS PLACE, 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, 2021**

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

Net changes in fund balances - total governmental funds	\$	521,118
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital purchases		1,383,554
Depreciation expense, net		(1,258,054)
Net effect of disposals		(40,817)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(35,764)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Pension and other postemployment benefits (OPEB) expenses and the amortization of deferred items are accounted for in the Statement of Activities.

Net change in compensated absences		19,667
Net pension liability		(159,015)
Deferred outflows - pensions		803
Deferred inflows - pensions		16,656
Total OPEB liability		(30,913)
Deferred outflows - OPEB		11,730
Deferred inflows - OPEB		2,609

<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>431,574</u></b>
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See Notes to Financial Statements.



# **CITY OF MEADOWS PLACE, TEXAS**

## ***NOTES TO FINANCIAL STATEMENTS***

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

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

#### **A. Reporting Entity**

The City of Meadows Place, Texas (the “City”) was incorporated November of 1983 under the provisions of the State of Texas (the “State”). The City is an independent political subdivision of the State of Texas and a General Law City, governed by a 5-member elected council and a mayor, and is considered a primary government. The City Council is the principal legislative body of the City.

The City provides the following services: general administration, public safety, parks and recreation, maintenance and improvements to streets, public improvements, water and wastewater services, and garbage collection.

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. The component unit as listed below, although legally separate, is considered part of the 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.

#### **Discretely Presented Component Unit**

##### **Meadows Place Economic Development Corporation**

Meadows Place Economic Development Corporation (EDC) has been included in the reporting entity as a discretely presented component unit. The EDC was created by the City under the Texas Development Corporation Act of 1979 for the purpose of promoting, assisting, and enhancing economic and development activities on behalf of the City. The Board of Directors is appointed by, and serves at, the discretion of City Council. City Council approval is required for annual budgets and bonded debt issuance. In the event of dissolution, all assets of the EDC shall be conveyed to the City. During a prior year, with voter approval, the City converted the EDC from a 4A to a 4B corporation to provide the City greater flexibility in the use of sales tax revenues. The EDC does not qualify as a blended component unit due to services that directly benefit the community rather than the City itself. The EDC does not produce separate financial statements.

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

**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 of the activities of the primary government and its component unit. Governmental activities are normally supported by taxes and intergovernmental revenues. The *primary government* is reported separately from a certain legally separate *component unit* for which the primary government is financially accountable.

**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 governmental funds. Separate financial statements are provided for governmental funds.

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

**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.

The City reports the following governmental funds:

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

The *debt service fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund did not meet the technical criteria to be presented as a major fund, however, due to its significance, the City has elected to present it as a major fund.

The *capital projects fund*, accounts for the acquisition and construction of the City's major capital facilities and other capital assets. The capital projects fund did not meet the technical criteria to be presented as a major fund, however, due to its significance, the City has elected to present it as a major fund.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/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 the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

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

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

**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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to 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.

Property taxes, 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.

**2. Investments**

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with

# CITY OF MEADOWS PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. government and the State or their agencies or instrumentalities
- Fully collateralized certificates of deposit
- Mutual funds of a specific type
- Investment pools

### 3. Receivables

All trade receivables are shown net of an allowance for uncollectibles.

### 4. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Infrastructure assets are capitalized if they have an original cost greater than \$2,500 and a useful life over two years. Any other capital assets with a total cost of \$1,000 or more will also be capitalized. 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, engineering fees, and improvements are capitalized as projects are constructed. The City does not capitalize net interest cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of assets are not capitalized. Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Furniture and equipment	2 to 45 years
Vehicles	5 years
Infrastructure	10 to 45 years
Buildings and improvements	40 years

### 5. 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.

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

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.

At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

#### **6. Compensated Employee Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation, sick, and compensatory time. Vacation time, per City policy, is lost if not taken by September 30. Employees are allowed to earn twelve sick leave days per year. Employees may accumulate up to 72 sick leave days. Upon termination of employment, whether voluntary or involuntary, including retirement, employees receive payment for a maximum of 25 percent of accumulated sick leave days at their base salary in effect at date of termination. Employees are allowed to earn up to 120 hours of comp-time for overtime hours worked. Upon termination of employment, whether voluntary or involuntary, including retirement, employees receive payment for 50 percent of accumulated comp-time earned at their base salary in effect at date of termination. Compensatory time is paid out as part of the last pay period of the fiscal year.

All eligible time is accrued when incurred in the government-wide financial statements.

#### **7. 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, if material. Bonds payable are reported net of the applicable bond premium or discount. However, the City has no bonded debt outstanding as bonds were paid off in the prior fiscal year.

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.

#### **8. 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

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

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.

**9. 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.

**10. 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 an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) 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.

**11. 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.

# **CITY OF MEADOWS PLACE, TEXAS**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

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

### **12. 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.

### **13. 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 death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees.

## **G. Revenues and Expenditures/Expenses**

### **1. Program Revenues**

Amounts reported as *program revenues* include 1) fines and forfeitures, charges for utility services, garbage services, licenses and permits, and various user fees 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.

### **2. Property Taxes**

Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year. Property values are determined by the appraisal district. Assessed values are determined as of January 1 of each year. Taxes are levied around October/November. Penalties are assessed if not paid by the following February. Taxes are collected by the Fort Bend County Tax Office on behalf of the City.

## **II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and the debt service fund. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control is the department level. City Council may amend the budget throughout the year. Appropriations lapse at the end of the year. Supplemental budget appropriations were made for the year.

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

**B. Expenditures in Excess of Appropriations**

For the year ended September 30, 2021, expenditures exceeded appropriations at the legal level of control in the Department 70 (capital improvements).

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of September 30, 2021, the City had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	\$ 7,361,149	0.11
Lone Star	823,314	0.13
<b>Total Fair Value</b>	<u><u>\$ 8,184,463</u></u>	
Portfolio weighted average maturity		0.11

As of September 30, 2021, the EDC had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	\$ 769,497	0.12
<b>Total Fair Value</b>	<u><u>\$ 769,497</u></u>	
Portfolio weighted average maturity		0.12

*Credit risk.* The City's policy requires that investment pools must be rated no lower than 'AA' or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2021, the City's investments in investment pools were rated 'AAA' and 'AAAm' by Standard & Poor's.

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

*Custodial credit risk – investments.* For an investment, this is the risk that the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party in the event of the failure of the counterparty. The City's investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.

**TexPool**

TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to

# CITY OF MEADOWS PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool "AAAm". As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects liquidity.

### Lone Star

The Lone Star Investment Pool ("Lone Star") is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Lone Star is administered by First Public, a subsidiary of the Texas Associate of School Boards, with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the Board of Trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and nonmembers. Lone Star is rated 'AAA' by Standard and Poor's and operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The City is invested in the Government Overnight Fund of Lone Star which seeks to maintain a net asset value of \$1.00. Lone Star has 3 different funds: Government Overnight, Corporate Overnight, and Corporate Overnight Plus. Government Overnight, Corporate Overnight, and Corporate Overnight Plus maintain a net asset value of \$1.00.

### **B. Receivables**

The following comprise receivable balances at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Component Unit</u>
Property taxes	\$ 78,295	\$ 8,801	\$ -
Sales taxes	244,812	-	81,604
Water and sewer	124,093	-	-
Garbage	31,968	-	-
Lien	1,991	-	-
Other	35,344	-	-
Allowance	(19,908)	(447)	-
Total	<u>\$ 496,595</u>	<u>\$ 8,354</u>	<u>\$ 81,604</u>

**CITY OF MEADOWS PLACE, 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			
	Beginning Balance	Increases	(Decreases)	Ending Balance
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 8,394,166	\$ -	\$ -	\$ 8,394,166
Construction in progress	4,092,451	322,211	(4,157,058)	257,604
Total capital assets not being depreciated	12,486,617	322,211	(4,157,058)	8,651,770
Other capital assets:				
Buildings and improvements	2,951,035	60,543	(3,370)	3,008,208
Furniture and fixtures	355,235	-	-	355,235
Machinery and equipment	2,050,445	259,885	(16,672)	2,293,658
Park improvements	1,762,553	138,075	-	1,900,628
Vehicles	715,000	115,184	(131,874)	698,310
Water system	3,615,469	88,585	-	3,704,054
Wastewater system	9,430,587	12,819	-	9,443,406
Drainage	2,933,326	38,710	-	2,972,036
Streets and sidewalks	17,954,009	4,504,600	-	22,458,609
Total other capital assets	41,767,659	5,218,401	(151,916)	46,834,144
Less accumulated depreciation for:				
Buildings and improvements	(1,303,874)	(147,513)	3,370	(1,448,017)
Furniture and fixtures	(233,828)	(20,044)	-	(253,872)
Machinery and equipment	(887,875)	(173,460)	16,672	(1,044,663)
Park improvements	(889,657)	(113,771)	-	(1,003,428)
Vehicles	(376,655)	(98,932)	91,057	(384,530)
Water system	(2,696,946)	(99,126)	-	(2,796,072)
Wastewater system	(5,296,801)	(193,374)	-	(5,490,175)
Drainage	(2,386,588)	(53,692)	-	(2,440,280)
Streets and sidewalks	(11,406,054)	(358,142)	-	(11,764,196)
Total accumulated depreciation	(25,478,278)	(1,258,054)	111,099	(26,625,233)
Other capital assets, net	16,289,381	3,960,347	(40,817)	20,208,911
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	<b>\$ 28,775,998</b>	<b>\$ 4,282,558</b>	<b>\$ (4,197,875)</b>	<b>\$ 28,860,681</b>

Depreciation was charged to governmental functions as follows:

General government	\$ 475,692
Public safety	222,570
Public works/utilities	395,920
Parks and recreation	163,872
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$ 1,258,054</b>

# CITY OF MEADOWS PLACE, 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 ended September 30, 2021.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 75,748	\$ 68,884	\$ 88,551	\$ 56,081	\$ 50,473
Net pension liability	2,240,797	669,548	510,533	2,399,812	-
Total OPEB liability	111,298	31,535	622	142,211	-
<b>Total Governmental Activities</b>	<u>\$ 2,427,843</u>	<u>\$ 769,967</u>	<u>\$ 599,706</u>	<u>\$ 2,598,104</u>	<u>\$ 50,473</u>
			<b>Due in More Than One Year</b>	<u>\$ 2,547,631</u>	

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. In general, the City uses the general fund to liquidate governmental long-term liabilities.

The City is not obligated in any manner for special assessment debt.

## 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 a group rate 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 which exceeded coverage amounts for the past three 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 which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is a defendant in several lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's management that resolution of these matters will not have a material adverse effect of the financial condition of the City.

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.

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

**C. Pension Plans**

**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](http://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 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:

	<u>2021</u>	<u>2020</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100%	100%
Annuity increase (to retirees)	70% of CPI	70% of CPI

# CITY OF MEADOWS PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

### 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	21
Inactive employees entitled to, but not yet receiving, benefits	32
Active employees	31
<b>Total</b>	<b>84</b>

### 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 seven percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.12 percent and 10.16 percent in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2021 were \$215,801, which were greater than the required contributions by \$7,315.

### Net Pension Liability

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

### 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.

# CITY OF MEADOWS PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
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%
<b>Total</b>	<b>100.00%</b>	

### 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 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.

# CITY OF MEADOWS PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

### Changes in the NPL

	Increase (Decrease)		
	Total Pension	Plan	Net Pension
	Liability (A)	Fiduciary Net Position (B)	Liability (A) - (B)
Changes for the year:			
Service cost	\$ 356,612	\$ -	\$ 356,612
Interest	653,336	-	653,336
Difference between expected and actual experience	66,346	-	66,346
Contributions - employer	-	209,820	(209,820)
Contributions - employee	-	145,133	(145,133)
Net investment income	-	566,135	(566,135)
Benefit payments, including refunds of employee contributions	(406,746)	(406,746)	-
Administrative expense	-	(3,666)	3,666
Other changes	-	(143)	143
<b>Net Changes</b>	<b>669,548</b>	<b>510,533</b>	<b>159,015</b>
Balance at December 31, 2019	9,704,117	7,463,320	2,240,797
<b>Balance at December 31, 2020</b>	<b>\$ 10,373,665</b>	<b>\$ 7,973,853</b>	<b>\$ 2,399,812</b>

### Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the City, calculated using the discount rate of 6.75 percent, as well as what the City's NPL 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 in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 3,862,823	\$ 2,399,812	\$ 1,198,904

### Pension Plan Fiduciary Net Position

Detailed information about the TMRS fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmrs.com](http://www.tmrs.com).

# CITY OF MEADOWS PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

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

For the fiscal year ended September 30, 2021, the City recognized net pension expense of \$357,357.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 66,123	\$ -
Changes in actuarial assumptions	25,813	-
Net difference between projected and actual investment earnings	-	(211,194)
Contributions subsequent to the measurement date	162,158	-
<b>Total</b>	<b>\$ 254,094</b>	<b>\$ (211,194)</b>

\$162,158 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2022.

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

<b>Fiscal Year Ended September 30</b>	<b>Pension Expense</b>
2022	\$ (25,970)
2023	38,731
2024	(119,546)
2025	(12,473)
Thereafter	-
<b>Total</b>	<b>\$ (119,258)</b>

#### **D. Other Postemployment Benefits**

##### **TMRS – Supplemental Death Benefit (SDBF)**

###### Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the 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. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) 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

# CITY OF MEADOWS PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The TMRS Act requires the PTF to allocate a five percent interest credit from investment income to the SDBF on an annual basis each December 31 based on the mean balance in the SDBF during the year.

### 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	14
Inactive employees entitled to, but not yet receiving, benefits	10
Active employees	31
<b>Total</b>	<b><u>55</u></b>

### Total OPEB Liability

The City's total OPEB liability of \$142,211 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

**CITY OF MEADOWS PLACE, 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 PTF and accounted for under reporting requirements under GASB 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% 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

	<b>Total OPEB Liability</b>
Changes for the year:	
Service cost	\$ 6,013
Interest	3,135
Difference between expected and actual experience	1,773
Changes of assumptions	20,614
Benefit payments	(622)
<b>Net Changes</b>	<b>30,913</b>
Beginning balance	111,298
<b>Ending Balance</b>	<b>\$ 142,211</b>

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

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

# CITY OF MEADOWS PLACE, 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 in Discount Rate (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
City's Total OPEB Liability	\$ 177,695	\$ 142,211	\$ 115,624

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$16,559. 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	\$ 1,418	\$ (2,690)
Changes in actuarial assumptions	30,316	(2,722)
Contributions subsequent to the measurement date	1,524	-
<b>Total</b>	<b>\$ 33,258</b>	<b>\$ (5,412)</b>

\$1,524 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the 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
2022	\$ 7,328
2023	5,914
2024	8,124
2025	4,956
2026	-
Thereafter	-
<b>Total</b>	<b>\$ 26,322</b>

### Schedule of Contribution – (Retiree-only portion of rate, for OPEB):

Fiscal Year Ended September 30	Total SDB Contribution (Rate)	Retiree Portion of SDB Contribution
2021	0.18%	0.10%
2020	0.14%	0.03%
2019	0.14%	0.03%
2018	0.16%	0.03%
2017	0.19%	0.03%

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

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

**E. Deferred Compensation Plan**

The City offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Plan's trust arrangements are established to protect deferred compensation amounts of employees under the Plan from any other use than intended under the Plan (eventual payment to employees deferring the compensation) in accordance with federal tax laws. Amounts of compensation deferred by employees under Plan provisions are disbursed monthly by the City to a third-party administrator. The third-party administrator handles all funds in the Plan and makes investment decisions and disburses funds to employees in accordance with Plan provisions.

At the year end the employees contributed the amount of \$28,945.

**F. Contracts**

Summaries of the City's significant contracts are as follows:

**City of Houston**

The Meadows Municipal Utility District (MUD), which was dissolved and added to City operations in 1993, had contracted with the City of Houston in a prior year for the use of capacity in the MUD's sewage treatment plant (the "Plant"). Under the terms of the contract (which has been continued with the City), the City operates and owns the Plant and charges the City of Houston for a proportionate share of the Plant's operating costs. The City of Houston's contracted plant capacity is 67,500 gallons per day for 180 connections which represents approximately 4.5 percent of total plant capacity. During the fiscal year ended September 30, 2021, the City received \$50,016 from the City of Houston for their proportionate share of the Plant's operating costs.

**Fort Bend County Water Control and Improvement District No. 2**

On May 19, 2008, the City entered into an agreement (the "Agreement") with Fort Bend County Water Control and Improvement District No. 2 (the "District") for participation in a groundwater reduction plan (the "Plan"). The Agreement was effective as of January 1, 2008. The District has an existing surface water supply contract with the Gulf Coast Water Authority, which owns a site for a surface water treatment plant and is developing a regional groundwater reduction plan to meet the regulatory plan requirement of the Fort Bend County Subsidence District. The District includes the City in the Plan.

The District is developing the Plan for the benefit of the participants and shall act as the administrator in implementing the Plan and maintaining the surface water fund. The surface water fund is a separate account owned and administered by the District for the benefit of the participants and shall only be used to pay costs associated with the Plan and its implementation and the issuance and payment of any bonds. The District will be responsible for designing the Plan to meet the requirements of the Subsidence District. The District includes the City as a

# **CITY OF MEADOWS PLACE, TEXAS**

## ***NOTES TO FINANCIAL STATEMENTS (Continued)***

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

participant in the Plan and will include the pumpage from permitted wells owned by the City in their request for the Subsidence District's certification of the Plan.

The City will pay the District a monthly pumpage fee for all groundwater pumped by the City from its permitted wells and for all water supplied to the City by the District. The pumpage fee at fiscal yearend is \$2.00 per 1,000 gallons. A groundwater credit is applied on a monthly basis and deducted from the monthly pumpage fee. As of yearend, the groundwater credit is \$0.45 per 1,000 gallons. During the current fiscal year, the City recorded \$259,982 in pumpage fees. The City paid an equalization fee on a monthly basis as a unit charge of \$0.20 per 1,000 gallons of groundwater pumped by the City from a permitted well and/or for water supplied to the City by the District until the City's equalization fee payments totaled \$328,054 plus interest calculated at 4.44% per year. The equalization fee was the City's pro rata share of the District's historical costs incurred prior to the effective date of this agreement for the procurement of a surface water supply, a plant site, and feasibility studies, and preparation of the Plan. During a prior fiscal year, this equalization fee was paid in full.

### **Fort Bend County Kirkwood Road Project**

On June 23, 2009, the City entered into an interlocal agreement with Fort Bend County (the "County") for Improvements to Kirkwood Road. The County's sole obligation is to provide funding to the City of \$1,500,000. The County will forward this amount upon completion of the final design of the project. The City's responsibility is for managing the design of the project in accordance the Advance Funding Agreement with TxDOT. Any funding required for the project in excess of the County's contribution set forth above, will be the sole responsibility of the City. Upon completion of the project each party will maintain that portion of the project within its own jurisdiction.

On September 18, 2018, the agreement was amended. The funds due to the County related to the West Airport project of \$212,297, will be held by the City for use on the Kirkwood project. The County will reallocate \$1,270,706 originally set aside for the West Airport project to the Kirkwood project, and remains committed to the initial financial obligation of \$1,500,000. The County's total maximum financial obligation to provide funding under the Kirkwood agreement is increased to an amount not to exceed \$2,983,003. During a prior year, the City received \$2,770,705 from Fort Bend County for this project and the balance due to the County for the West Airport Boulevard construction was recorded as an increase in the amount contributed by the County for a total contribution of \$2,983,003. This project was completed as of fiscal year end and was reclassified out of construction in progress to the appropriate depreciable capital asset class.

### **Fort Bend County Mobility Bond Project**

On June 22, 2021, the City enter into an interlocal agreement (the "Agreement") with Fort Bend County (the "County") and the City of Stafford for the Mobility Bond Project Fort Bend Project No. 20211 (the "Project") for the construction of a bike trail and sidewalk improvements that will enhance the bicycle and pedestrian traffic circulation in the service area.

The County will provide the funding for eligible Project costs, to the City. The County agrees to pay the City an amount equal to the lesser of 80% of eligible Project costs or \$2,900,000.

The funding of the remaining 20% will be split between the City and the City of Stafford. The City of Stafford will advance an amount equal to 20% of the amount budgeted for construction

# CITY OF MEADOWS PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

of the Project within the City limits up to a maximum amount of \$230,000. The City will be responsible for the remaining Project costs which is currently budgeted for \$495,000.

### G. Fund Balance

As of September 30, 2021, the City had \$307,971 restricted for enabling legislation as follows:

Restricted for:	
Drug task force	\$ 5,262
Disposed cash	1,211
Right of way/PEG	94,580
School crossing	13,740
Child safety	65,290
Court technology	18,337
Building security	96,674
Truancy prevention	12,696
Municipal jury	181
Total restricted for enabling legislation	<u>\$ 307,971</u>

On September 30, 2021 the City had \$106,352 in committed fund balance for the Road Use Fee Reserve. A monthly fee of \$10 is included in the monthly billing for services to residents and businesses within the City's limit. This fund was created by the City to provide funding to repair roadways within the City limits. During the current year, the City collected \$190,784 from the monthly fee. The City expended \$238,875 during the current year for these repairs. The City also has \$50,000 committed for facilities improvements.

### H. Restatement of Fund Balance/Net Position

Beginning fund balance for the general fund and beginning net position for governmental activities and the EDC have been restated to recognize sales tax receivable.

	<b>General Fund</b>	<b>Governmental Activities Net Position</b>	<b>Component Unit</b>
Prior year ending net position/fund balance as reported	\$ 7,492,588	\$ 34,001,739	\$ 878,609
Restatement - sales tax receivable	207,403	207,403	69,134
Restated beginning net position/fund balance	<u>\$ 7,699,991</u>	<u>\$ 34,209,142</u>	<u>\$ 947,743</u>

***REQUIRED SUPPLEMENTARY INFORMATION***

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

For the Year Ended September 30, 2021

Budgeted Amounts				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Property taxes	\$ 3,257,707	\$ 3,257,707	\$ 3,219,135	\$ (38,572)
Sales taxes	1,099,000	1,339,000	1,460,087	121,087
Franchise fees and local taxes	265,000	265,000	264,338	(662)
Licenses and permits	100,000	100,000	140,657	40,657
Fines and forfeitures	345,000	345,000	435,240	90,240
Intergovernmental	300,000	300,000	607,676	307,676
Charges for services	1,859,000	1,859,000	1,840,552	(18,448)
Investment earnings	31,050	31,050	4,823	(26,227)
Other revenue	175,350	290,011	134,990	(155,021)
<b>Total Revenues</b>	<b>7,432,107</b>	<b>7,786,768</b>	<b>8,107,498</b>	<b>320,730</b>
<b>Expenditures</b>				
Current:				
General government				
General government	1,014,032	1,029,032	1,003,078	25,954
Council	40,886	40,886	33,961	6,925
Total general government	<u>1,054,918</u>	<u>1,069,918</u>	<u>1,037,039</u>	<u>32,879</u>
Public safety				
Police	2,274,926	2,319,175	2,253,685	65,490
Municipal court	266,013	266,013	252,444	13,569
Total public safety	<u>2,540,939</u>	<u>2,585,188</u>	<u>2,506,129</u>	<u>79,059</u>
Public works/utilities				
Public works	925,515	1,007,215	888,957	118,258
Water and sewer	1,753,480	1,753,480	1,565,471	188,009
Total public works/utilities	<u>2,678,995</u>	<u>2,760,695</u>	<u>2,454,428</u>	<u>306,267</u>
Parks and recreation	743,583	810,020	797,203	12,817
Capital outlay	635,000	762,970	805,817	(42,847) *
<b>Total Expenditures</b>	<b>7,653,435</b>	<b>7,988,791</b>	<b>7,600,616</b>	<b>388,175</b>
<b>Excess (Deficit) of Revenues Over (Under) Expenditures</b>				
	<u>(221,328)</u>	<u>(202,023)</u>	<u>506,882</u>	<u>708,905</u>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	-	-	13,500	13,500
<b>Total Other Financing (Uses)</b>	<u>-</u>	<u>-</u>	<u>13,500</u>	<u>13,500</u>
<b>Net Change in Fund Balance</b>	<u>\$ (221,328)</u>	<u>\$ (202,023)</u>	<u>520,382</u>	<u>\$ 722,405</u>
Beginning fund balance			<u>7,699,991</u>	
<b>Ending Fund Balance</b>			<u>\$ 8,220,373</u>	

**Notes to Required Supplementary Information:**

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principals (GAAP).
2. \*Expenditures exceeded appropriations at the legal level of control in Department 70.

**CITY OF MEADOWS PLACE, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2021**

	Measurement Year*			
	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service cost	\$ 211,979	\$ 227,586	\$ 264,811	\$ 268,764
Interest (on the total pension liability)	463,068	470,575	487,855	524,412
Difference between expected and actual experience	(276,563)	12,405	55,957	129,289
Change in assumptions	-	56,198	-	-
Benefit payments, including refunds of employee contributions	(281,922)	(316,155)	(244,634)	(293,393)
<b>Net Change in Total Pension Liability</b>	<b>116,562</b>	<b>450,609</b>	<b>563,989</b>	<b>629,072</b>
Beginning total pension liability	6,650,225	6,766,787	7,217,396	7,781,385
<b>Ending Total Pension Liability</b>	<b>\$ 6,766,787</b>	<b>\$ 7,217,396</b>	<b>\$ 7,781,385</b>	<b>\$ 8,410,457</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 94,011	\$ 103,216	\$ 91,630	\$ 131,403
Contributions - employee	87,986	95,912	106,902	109,763
Net investment income	316,172	8,468	380,106	824,725
Benefit payments, including refunds of employee contributions	(281,922)	(316,155)	(244,634)	(293,393)
Administrative expense	(3,301)	(5,158)	(4,294)	(4,277)
Other	(271)	(254)	(231)	(216)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>212,675</b>	<b>(113,971)</b>	<b>329,479</b>	<b>768,005</b>
Beginning plan fiduciary net position	5,526,822	5,739,497	5,625,526	5,955,005
<b>Ending Plan Fiduciary Net Position</b>	<b>\$ 5,739,497</b>	<b>\$ 5,625,526</b>	<b>\$ 5,955,005</b>	<b>\$ 6,723,010</b>
<b>Net Pension Liability</b>	<b>\$ 1,027,290</b>	<b>\$ 1,591,870</b>	<b>\$ 1,826,380</b>	<b>\$ 1,687,447</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	84.82%	77.94%	76.53%	79.94%
<b>Covered Payroll</b>	\$ 1,256,939	\$ 1,370,174	\$ 1,527,167	\$ 1,568,048
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	81.73%	116.18%	119.59%	107.61%

\*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
\$ 278,511	\$ 297,024	\$ 356,612
567,474	607,676	653,336
41,016	41,401	66,346
-	61,917	-
(285,372)	(315,987)	(406,746)
601,629	692,031	669,548
8,410,457	9,012,086	9,704,117
<u>\$ 9,012,086</u>	<u>\$ 9,704,117</u>	<u>\$ 10,373,665</u>
\$ 144,871	\$ 168,878	\$ 209,820
113,944	122,376	145,133
(201,229)	1,002,765	566,135
(285,372)	(315,987)	(406,746)
(3,892)	(5,670)	(3,666)
(205)	(169)	(143)
(231,883)	972,193	510,533
6,723,010	6,491,127	7,463,320
<u>\$ 6,491,127</u>	<u>\$ 7,463,320</u>	<u>\$ 7,973,853</u>
<u>\$ 2,520,959</u>	<u>\$ 2,240,797</u>	<u>\$ 2,399,812</u>
72.03%	76.91%	76.87%
\$ 1,627,768	\$ 1,748,226	\$ 2,073,327
154.87%	128.18%	115.75%

# CITY OF MEADOWS PLACE, TEXAS

## SCHEDULE OF CONTRIBUTIONS

### TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2021

	Fiscal Year*			
	2014	2015	2016	2017
Actuarially determined contribution	\$ 94,994	\$ 102,244	\$ 100,361	\$ 128,761
Contributions in relation to the actuarially determined contribution	94,994	102,244	100,361	128,761
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,250,535	\$ 1,329,535	\$ 1,554,311	\$ 1,604,907
Contributions as a percentage of covered payroll	7.60%	7.69%	6.46%	8.02%

\* Only eight years of information is currently available. The City will build this schedule over the next two-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	25 years
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period December 31, 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.

##### 3. Other Information:

- 1) Granted 100% ad hoc USD
- 2) Granted 70% ad hoc COLA

Fiscal Year*			
2018	2019	2020	2021
\$ 139,093	\$ 162,455	\$ 196,202	\$ 208,485
139,093	162,455	196,202	215,801
\$ -	\$ -	\$ -	\$ (7,316)
\$ 1,582,245	\$ 1,711,428	\$ 1,957,586	\$ 2,054,108
8.79%	9.49%	10.02%	10.51%

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**CITY OF MEADOWS PLACE, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**For the Year Ended September 30, 2021**

	Measurement Year*			
	2017	2018	2019	2020
<b>Supplemental Death Benefit</b>				
<b>Total OPEB Liability</b>				
Service cost	\$ 2,979	\$ 3,581	\$ 3,496	\$ 6,013
Interest (on the total OPEB liability)	3,003	3,087	3,259	3,135
Difference between expected and actual experience	-	(4,621)	(1,427)	1,773
Change of assumptions	8,007	(6,913)	20,130	20,614
Benefit payments	(470)	(488)	(524)	(622)
<b>Net Change in Total OPEB Liability</b>	<b>13,519</b>	<b>(5,354)</b>	<b>24,934</b>	<b>30,913</b>
Beginning total OPEB liability	78,199	91,718	86,364	111,298
<b>Ending Total OPEB Liability</b>	<b>\$ 91,718</b>	<b>\$ 86,364</b>	<b>\$ 111,298</b>	<b>\$ 142,211</b>
<b>Covered Payroll</b>	<b>\$ 1,568,048</b>	<b>\$ 1,627,768</b>	<b>\$ 1,748,226</b>	<b>\$ 2,073,327</b>
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	<b>5.85%</b>	<b>5.31%</b>	<b>6.37%</b>	<b>6.86%</b>

\*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:**

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
Inflation	2.50%
Salary increases	3.50% to 11.50% 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 3.00% 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.

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.

There were no change in assumptions is the annual change in the municipal bond index rate.

There were no benefit changes during the year.

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## ***COMBINING AND OTHER SCHEDULES***



# CITY OF MEADOWS PLACE, TEXAS

## COMBINING SCHEDULE - BALANCE SHEET

### SUBFUNDS OF THE GENERAL FUND

September 30, 2021

	General	Water and Sewer	Eliminations	Total General Fund
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 6,578,408	\$ 2,149,181	\$ -	\$ 8,727,589
Receivables	357,015	139,580	-	496,595
Due from other governments	13	-	-	13
Due from other funds	38	-	(38)	-
<b>Total Assets</b>	<u>\$ 6,935,474</u>	<u>\$ 2,288,761</u>	<u>\$ (38)</u>	<u>\$ 9,224,197</u>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 178,841	\$ 91,272	\$ -	\$ 270,113
Deposits payable	-	90,050	-	90,050
Unearned revenue	568,793	-	-	568,793
Due to other funds	-	38	(38)	-
<b>Total Liabilities</b>	<u>747,634</u>	<u>181,360</u>	<u>(38)</u>	<u>928,956</u>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	<u>74,868</u>	<u>-</u>	<u>-</u>	<u>74,868</u>
<b><u>Fund Balances</u></b>				
Restricted:				
Enabling legislation	307,971	-	-	307,971
Committed:				
Road repairs	106,352	-	-	106,352
Facilities improvements	50,000	-	-	50,000
Unassigned	5,648,649	2,107,401	-	7,756,050
<b>Total Fund Balances</b>	<u>6,112,972</u>	<u>2,107,401</u>	<u>-</u>	<u>8,220,373</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 6,935,474</u>	<u>\$ 2,288,761</u>	<u>\$ (38)</u>	<u>\$ 9,224,197</u>



**CITY OF MEADOWS PLACE, TEXAS**  
**COMBINING SCHEDULE - STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**SUBFUNDS OF THE GENERAL FUND**  
For the Year Ended September 30, 2021

	General	Water and Sewer	Eliminations	Total General Fund
<b><u>Revenues</u></b>				
Property taxes	\$ 3,219,135	\$ -	\$ -	\$ 3,219,135
Sales taxes	1,460,087	-	-	1,460,087
Franchise fees and local taxes	264,338	-	-	264,338
Licenses and permits	140,657	-	-	140,657
Fines and forfeitures	435,240	-	-	435,240
Intergovernmental	607,676	-	-	607,676
Charges for services	190,784	1,649,768	-	1,840,552
Investment earnings	4,023	800	-	4,823
Other revenue	78,703	56,287	-	134,990
<b>Total Revenues</b>	<b>6,400,643</b>	<b>1,706,855</b>	<b>-</b>	<b>8,107,498</b>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	1,037,039	-	-	1,037,039
Public safety	2,506,129	-	-	2,506,129
Public works/utilities	888,957	1,565,471	-	2,454,428
Parks and recreation	797,203	-	-	797,203
<b>Capital outlay</b>	<b>805,817</b>	<b>-</b>	<b>-</b>	<b>805,817</b>
<b>Total Expenditures</b>	<b>6,035,145</b>	<b>1,565,471</b>	<b>-</b>	<b>7,600,616</b>
<b>Excess of Revenues Over Expenditures</b>	<b>365,498</b>	<b>141,384</b>	<b>-</b>	<b>506,882</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	108,000	-	(108,000)	-
Transfers (out)	-	(108,000)	108,000	-
Sale of capital assets	13,500	-	-	13,500
<b>Total Other Financing Sources (Uses)</b>	<b>121,500</b>	<b>(108,000)</b>	<b>-</b>	<b>13,500</b>
<b>Net Change in Fund Balances</b>	<b>486,998</b>	<b>33,384</b>	<b>-</b>	<b>520,382</b>
Beginning fund balances	5,625,974	2,074,017	-	7,699,991
<b>Ending Fund Balances</b>	<b>\$ 6,112,972</b>	<b>\$ 2,107,401</b>	<b>\$ -</b>	<b>\$ 8,220,373</b>



**CITY OF MEADOWS PLACE, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Year Ended September 30, 2021**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Revenues</u></b>			
Property taxes	\$ -	\$ 2,018	\$ 2,018
Investment earnings	-	1	1
<b>Total Revenues</b>	<u>-</u>	<u>2,019</u>	<u>2,019</u>
<b><u>Expenditures</u></b>			
General governemnt	200	-	200
<b>Total Expenditures</b>	<u>200</u>	<u>-</u>	<u>200</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ (200)</u></u>	2,019	<u><u>\$ 2,219</u></u>
Beginning fund balance		<u>1,779</u>	
<b>Ending Fund Balance</b>		<u><u>\$ 3,798</u></u>	

**Notes to Other Supplementary Information:**

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

