



THE CITY OF KYLE, TEXAS ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE YEAR ENDED
SEPTEMBER 30, 2023

THE CITY OF KYLE, TEXAS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT



City Manager
Bryan Langley

Director of Finance
Perwez A. Moheet, CPA

FOR THE YEAR ENDED
SEPTEMBER 30, 2023

Prepared by Financial Services Department



Elected Officials

Mayor
Travis Mitchell

Mayor Pro Tem
Robert Rizo

Council Member, District 1
Bear Heiser

Council Member, District 3
Miguel Zuniga

Council Member, District 4
Lauralee Harris

Council Member, District 5
Daniela Parsley

Council Member, District 6
Michael Tobias

**CITY OF KYLE, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

TABLE OF CONTENTS

	Exhibit	Page
INTRODUCTORY SECTION		
Letter of Transmittal		i
City of Kyle - Organizational Chart		vii
Elected Officials and Executive Management Team		viii
Government Finance Officers Association - Annual Comprehensive Financial Report Certificate		ix
FINANCIAL SECTION		
Independent Auditor's Report		1
Management's Discussion and Analysis		4
<u>Basic Financial Statements</u>		
Government Wide Statements:		
Statement of Net Position	A-1	19
Statement of Activities	B-1	21
Governmental Fund Financial Statements:		
Balance Sheet	C-1	23
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	C-2	25
Statement of Revenues, Expenditures, and Changes in Fund Balance	C-3	26
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	C-4	28
Proprietary Fund Financial Statements:		
Statement of Net Position	D-1	29
Statement of Revenues, Expenses, and Changes in Fund Net Position	D-2	31
Statement of Cash Flows	D-3	32
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Positions	E-1	34
Statement of Change in Fiduciary Net Position	E-2	35
Notes to the Financial Statements		
I. Summary of Significant Accounting Policies		36
II. Reconciliation of Government-Wide and Fund Financial Statements		45
III. Stewardship, Compliance and Accountability		46
IV. Detailed Notes on All Funds		47
V. Other Information		59
<u>Required Supplementary Information (Unaudited)</u>		
Schedule of Revenues, Expenditures and Changes in Fund Balance - General Fund, Notes to the Budgetary Comparison Schedule	G-1	76
Schedule of Revenues, Expenditures and Changes in Fund Balance - Grants Fund, Notes to the Budgetary Comparison Schedule	G-2	78
Schedule of Contributions - OPEB	G-3	79
Schedule of Changes in the Employers Net OPEB Liability and Related Ratios	G-4	80
Schedule of Investment Returns - OPEB	G-5	81
Schedule of Changes in the Total OPEB Liability and Related Ratios - SDBF	G-6	82
Schedule of Changes in Net Pension Liability and Related Ratios	G-7	83
Schedule of Employer Contributions	G-8	84

**CITY OF KYLE, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

TABLE OF CONTENTS (Cont'd)

FINANCIAL SECTION (Cont'd)	<u>Exhibit</u>	<u>Page</u>
<u>Combining and Individual Fund Statements</u>		
Combining Balance Sheet	H-1	85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	H-2	89
<u>Other Supplementary Information (Unaudited)</u>		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Plum Creek PH II Fund, Notes to the Budgetary Comparison Schedule	J-1	93
Schedule of Revenues, Expenditures and Changes in Fund Balance - Public, Education & Gov't Access Fee Fund, Notes to the Budgetary Comparison Schedule	J-2	94
Schedule of Revenues, Expenditures and Changes in Fund Balance - Police Forfeiture Fee Fund, Notes to the Budgetary Comparison Schedule	J-3	95
Schedule of Revenues, Expenditures and Changes in Fund Balance - Police Special Revenue Fund, Notes to the Budgetary Comparison Schedule	J-4	96
Schedule of Revenues, Expenditures and Changes in Fund Balance - Court Special Revenue Fund, Notes to the Budgetary Comparison Schedule	J-5	97
Schedule of Revenues, Expenditures and Changes in Fund Balance - Police Abandoned & Unclaimed Property Fund, Notes to the Budgetary Comparison Schedule	J-6	98
Schedule of Revenues, Expenditures and Changes in Fund Balance - Hotel Occupancy Fund, Notes to the Budgetary Comparison Schedule	J-7	99
Schedule of Revenues, Expenditures and Changes in Fund Balance - TIRZ #2 Fund, Notes to the Budgetary Comparison Schedule	J-8	100
Schedule of Revenues, Expenditures and Changes in Fund Balance - TIRZ #3 Fund, Notes to the Budgetary Comparison Schedule	J-9	101
Schedule of Revenues, Expenditures and Changes in Fund Balance - Bunton Creek PID Fund, Notes to the Budgetary Comparison Schedule	J-10	102
Schedule of Revenues, Expenditures and Changes in Fund Balance - KAYAC Outreach Fund, Notes to the Budgetary Comparison Schedule	J-11	103
Schedule of Revenues, Expenditures and Changes in Fund Balance - Transportation Fund, Notes to the Budgetary Comparison Schedule	J-12	104
Schedule of Revenues, Expenditures and Changes in Fund Balance - CIP Park Development Fund, Notes to the Budgetary Comparison Schedule	J-13	105
Schedule of Revenues, Expenditures and Changes in Fund Balance - Street Improvement Fund, Notes to the Budgetary Comparison Schedule	J-14	106
Schedule of Revenues, Expenditures and Changes in Fund Balance - Senior Activity & Community Center Fund, Notes to the Budgetary Comparison Schedule	J-15	107

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

TABLE OF CONTENTS (Cont'd)

	Table	Page
STATISTICAL SECTION (Unaudited)		
Net Position by Component	1	109
Changes in Net Position	2	110
Fund Balances - Governmental Funds	3	112
Changes in Fund Balances - Governmental Funds	4	113
Assessed Value and Estimated Actual Value of Taxable Property	5	115
Water Utility Rate Comparison	6	116
Water Utility - Annual Billed Amount Comparison	7	117
Water Utility - Total Gallon Per Year Comparison	8	118
Wastewater Rate Comparison	9	119
Wastewater Utility - Annual Billed Amount Comparison	10	120
Ten Largest Water Customers	11	121
Sales Tax Collection by Month	12	122
Direct and Overlapping Property Tax Rates	13	123
Principal Property Taxpayers	14	124
Property Tax Levies and Collections	15	125
Ratios of Outstanding Debt by Type	16	126
Ratios of Net General Bonded Debt Outstanding	17	127
Legal Debt Margin Information	18	128
Demographic and Economic Statistics	19	129
Principal Employers	20	130
Fulltime Equivalent City Government Employees	21	131
Operating Indicators by Function/Program	22	132
Capital Asset Statistics by Function/Program	23	133



INTRODUCTORY SECTION





CITY OF KYLE

100 W. Center Street • Kyle, Texas 78640 • Tel (512) 262-1010 • Fax (512) 262-3800

March 15, 2024

Mayor, Mayor Pro Tem, and Council Members
City of Kyle, Texas

We are pleased to submit to you the City of Kyle's Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023. This annual financial report provides detailed information regarding the City's financial condition and activities to City Council, Boards and Commissions, taxpayers and residents of Kyle, City management, regulatory and grantor agencies, City's bondholders, and other interested entities.

City management is responsible for both the accuracy of the financial information presented and the completeness and fairness of the presentations including all disclosures. We believe the financial information, as presented, is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operations of the City of Kyle. These financial statements have been prepared by the Financial Services Department in accordance with generally accepted accounting principles (GAAP) for local governments.

The City's financial statements and accompanying notes to the financial statements included in the City's Annual Comprehensive Financial Report have been audited by the independent audit firm, ABIP, PC, Certified Public Accountants. Accordingly, this audit fully complies with Article VIII, Section 8.13 of the City Charter which requires an annual audit of all accounts of the City by an independent Certified Public Accountant.

The Management's Discussion and Analysis (MD&A) section immediately follows the independent auditor's report. The MD&A section provides an introduction, overview, and analysis to accompany the audited financial statements. This letter of transmittal is also intended to complement the MD&A and should be read in conjunction with it.

REPORTING ENTITY

The City's Annual Comprehensive Financial Report provides financial information on all funds of the City of Kyle. The City provides a full range of municipal services including general government, public safety, emergency management, permits and inspections, planning and zoning, code enforcement, public recreation and culture, economic development, solid waste collection and recycling, street maintenance and construction, stormwater and drainage management, and water and wastewater utility services.

KYLE'S GOVERNMENT, ECONOMY, AND OUTLOOK

General Information

The City of Kyle is a political subdivision and municipal corporation of the State of Texas, duly organized and existing under the laws of the State of Texas including the City's Home Rule Charter, initially adopted by the voters in the year 2000.

The City operates as a Home Rule City under a Council-Manager form of government with a City Council comprised of the Mayor and six Council Members. The City Council appoints the City Manager who is the chief executive officer responsible for executing the City Council's policies and for providing the day-to-day management oversight for all municipal services.

Kyle is a thriving community strategically located eight miles north of San Marcos, 20 miles south of Austin and 60 miles north of San Antonio with easy access to major highways and roadways including Interstate Highway 35. Kyle is the second largest city in Hays County and enjoys a south-central location convenient to most major population and employment centers in Texas. The City covers approximately thirty three (33) square miles and had an estimated population of 58,450 as of January 2024.

Local Economy

The City of Kyle residents enjoy a vibrant local economy and an excellent quality of life. Among the many factors attributing to the vibrancy of Kyle include a high per capita household income, low unemployment rate, educated workforce, employment growth, and the continued addition of new businesses in the consumer retail, medical, and light manufacturing sectors.

Among the major indicators of a stable yet expanding local economy include growth in population, building permits, taxable valuations, property tax collection rate, and the trend for sales tax collections. We are pleased to report that the taxable property valuations increased by 20.6% as compared to the prior tax year, property tax collection rate has continued to surpass the 99.0% level, and sales tax collections increased by 11.7% as compared to the prior year. In addition, the total population in the City of Kyle has increased to an estimated 58,450 residents.

Long-term Planning

Following an extensive public involvement process, the City has completed updating the Comprehensive Plan. This Plan provides a clear understanding of the community's goals and visions and provides guidance for future development and growth related decisions. Kyle has been experiencing rapid growth which in turn applies significant impact on all aspects of managing the City operations, including financial, tax structure, transportation systems, provision of utilities, and access to goods and services.

To ensure adequate provision of basic services while fostering a high quality of life and preserving Kyle's unique community, it is necessary for the City to be proactive in planning for the future. The Comprehensive Plan for the City of Kyle provides guidance for service provisions, protecting cultural and natural features representative of Kyle's history and character, directing growth in key locations, and ensuring a high quality of life for its residents.

Major Initiatives

The City Council adopted several policy-based priorities to develop and sustain the City of Kyle as a vibrant, healthy, family-friendly, and safe community. These policy-based priorities include but are not limited to the following:

- Economic Development Initiatives & Programs
- Brick & Mortar District Development Program
- Downtown Revitalization Program
- City-wide Beautification Program
- Parks & Trail System Improvements
- Sidewalk Widening Program
- Roadway Reconstruction Program
- Storm Drainage Improvement & Flood Risk Mitigation Initiatives
- Water and Wastewater Infrastructure Improvements
- Long-Term Water Supply & Capacity Planning
- Wastewater Treatment Capacity Expansion

Several major programs were initiated and completed in the City of Kyle during fiscal year 2023. These program initiatives include the following:

- Major economic development agreements executed for retail, medical and healthcare, and other light manufacturing sector employers which will result in the creation of new jobs in the City.
- Phase I completed for the City's wastewater treatment plant expansion project.
- Completion of major water and wastewater transmission and collection lines.
- Construction was completed for the City's new Public Safety Center, a \$37.0 million voter-authorized capital improvement project.
- Completion of major improvements including hike and bike trails throughout the City's parks system.
- Implementation of technology enhancements throughout the City's operations and service delivery systems.

FINANCIAL INFORMATION

Budgetary Information

The City's adopted budget for fiscal year 2024 totaled \$251.4 million and included \$55.8 million for the General Fund to provide public safety, code enforcement, parks, street maintenance, library, and other municipal services to the residents of Kyle.

The budget development and adoption process were based on the City's commitment and dedication to complete transparency and inclusiveness in its local government. The City included an extensive public participation process including budget work-sessions, public hearings, and public meetings throughout the budget development, deliberation, and adoption process.

The City's budget for fiscal year 2024 was adopted with a 7.65% reduction in the property tax rate to \$0.4693 per \$100 of assessed taxable valuation. The adopted budget provided funding for the addition of thirty-five (35.0) net full-time positions for police, public works, and parks operations including an aggressive capital improvements program and acquisition of heavy equipment and machinery.

The approved budget for fiscal year 2024 included no changes in the water and wastewater service rates, no changes in the City's storm drainage fee, or changes to the other major fees and charges for city services. However, a 2.5% rate increase was included for solid waste collection services based on the contract terms agreed to by the City with Texas Disposal Systems.

Bond Rating

The City's bond rating of AA- was reaffirmed by Standard and Poor's rating agency based on the City's strong liquidity and financial position, stable economic growth outlook in Kyle, and the City's strong financial management team and financial management practices.

Financial Policies

The City has adopted a comprehensive set of financial policies to ensure that the City's financial resources are prudently managed and safeguarded against misuse or loss. The City has established and maintains its goal for a balanced budget to achieve long-term financial stability and viability for the taxpayers and residents of Kyle.

Internal Controls

City management is responsible for establishing, implementing, and maintaining a framework of internal controls designed to ensure that assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting information is compiled to allow for the preparation of financial statements in conformity with GAAP. The system of internal control is designed to provide reasonable assurance, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

As required under the City Charter, the annual operating budget is proposed by the City Manager and approved by the City Council after holding public discussions and hearings. Primary responsibility for budget variance analysis of actual expenses or revenue and overall programs rests with the City departments who are responsible for their department operations and delivery of program services. As evidenced in the financial statements, notes to the financial statements, and schedules/tables included in the City's Annual Comprehensive Financial Report, the City of Kyle continues to meet its responsibility for sound financial management, transparency, and accountability.

Budgetary compliance is a significant tool for managing and controlling governmental activities, as well as ensuring conformance with the City's budgetary limits and specifications. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Levels of budgetary control, that is the levels at which expenditure cannot legally exceed appropriations, are established at the department level within individual Funds.

The City utilizes an encumbrance system of accounting as one mechanism to accomplish effective budgetary control. Encumbered amounts lapse at year end and a few items are re-appropriated as part of the following year's budget. Another budgetary control is the monthly revenue and expenditure report

summarizing by department budget and actual budget variances that are generated by the Financial Services Department and provided to each City department for their review, monitoring, and assessment of their line-item budget expenditures.

On a quarterly basis, the Financial Services Department prepares and posts financial performance reports accessible to City Council, taxpayers, residents, City staff, regulatory and grantor agencies, City's bondholders, and all other interested entities regarding the status of revenue, expenditures, and fund balance in each of the City's accounting Funds.

Risk Management

The City is a member of the Texas Municipal League's (TML) Intergovernmental Risk Pool. The Pool was established for providing coverage to member cities against risks, which are inherent in operating a municipal government. The City pays annual premiums to TML Intergovernmental Risk Pool for liability, property, and worker's compensation insurance coverage. An independent insurance brokerage firm underwrites surety bonds for selected city officials and staff.

Transparency in Financial Reporting

The City is fully committed to actively pursuing transparency in its policymaking, administration, budgeting, management oversight, and financial reporting. The City's Financial Services Department has streamlined its website to facilitate user-friendly access to the City's financial documents including operating and capital budgets, financial performance reports, annual comprehensive financial reports, capital improvements plan, financial policies, official statements, and other financial reports and documents.

OTHER INFORMATION

Awards

The Government Finance Officers Association of the United States and Canada awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an Annual Comprehensive Financial Report which meets and or exceeds the reporting criteria and standards as required under the GFOA program.

As in prior fiscal years, the City of Kyle was awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA for its Annual Comprehensive Financial Report issued for fiscal year ended September 30, 2022.

The City of Kyle was also the recipient of the Distinguished Budget Presentation Award presented by the Government Finance Officers Association (GFOA). This award is the highest form of recognition in governmental budgeting and represents a significant achievement by an organization.

Acknowledgments

The compilation and issuance of the City's Annual Comprehensive Financial Report was made possible with the dedication and contributions of the accounting and financial reporting team members in the City's Financial Services Department.

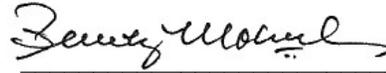
We also want to acknowledge the professional and comprehensive approach that the City's independent auditor, ABIP, PC, certified public accountants adhered to for the successful completion of the audit.

In closing, we want to express our appreciation and gratitude for the City Council's guidance, policy directives, and continued support in all aspects of the City's financial management and reporting responsibilities.

Respectfully submitted,

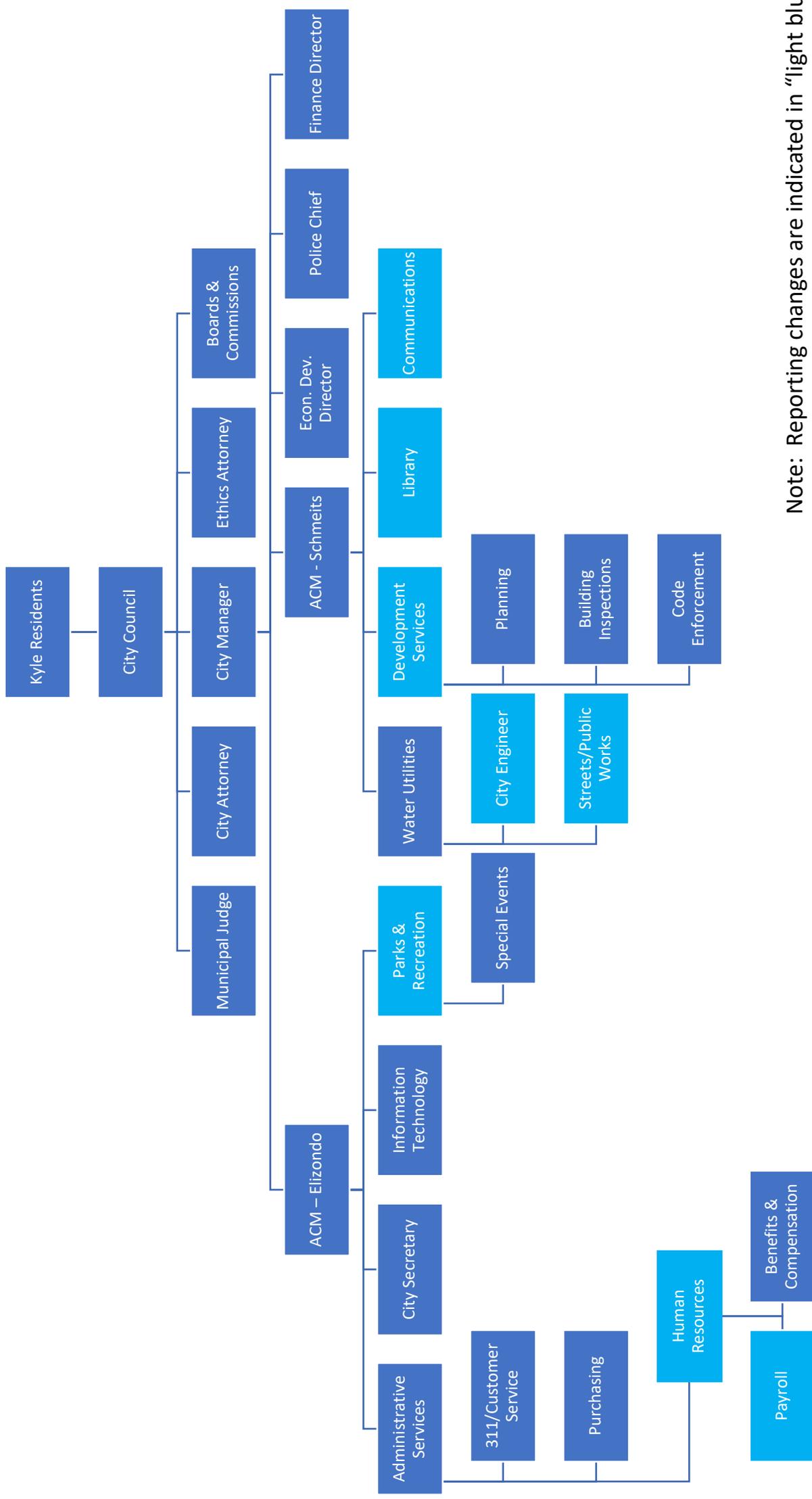


Bryan Langley
City Manager



Perwez A. Moheet, CPA
Director of Finance

Revised Organizational Chart – March 8, 2024



Note: Reporting changes are indicated in “light blue”.



Elected Officials and Executive Management Team

City Council

Travis Mitchell.....	Mayor
Bear Heiser.....	District 1
Robert Rizo.....	Mayor Pro-Tem, District 2
Miguel Zuniga, Ph.D.....	District 3
Dr. Lauralee Harris.....	District 4
Daniela Parsley.....	District 5
Michael Tobias.....	District 6

Executive Management Team

Bryan Langley.....	City Manager
Amber Schmeits.....	Assistant City Manager
Jesse Elizondo.....	Assistant City Manager
Melissa McCollum.....	Chief Development Officer
Rosie Truelove.....	Director of Administrative Services
Jennifer Kirkland.....	City Secretary
Leon Barba, P.E.....	City Engineer
Rachel Sonnier.....	Director of Communications
Victoria Vargas.....	Director of Economic Development
Perwez A. Moheet, CPA.....	Director of Financial Services
Marco Forti.....	Director of Information Technology
Kelly Stilwell.....	Building Official
Vacant.....	Director of Parks and Recreation
Jeff Barnett.....	Chief of Police
Vacant.....	Director of Library Services
Michael Murphy.....	Director of Water Utilities
Will Atkinson.....	Director of Planning



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Kyle
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

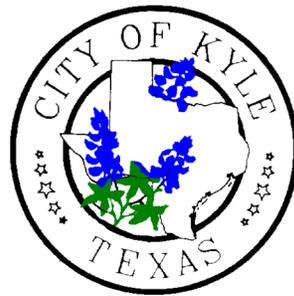
September 30, 2022

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Kyle, Texas

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

ABIP, PC

San Antonio, Texas
April 2, 2024

The City management is pleased to present the City of Kyle's Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023.

The Management's Discussion and Analysis section of the Annual Comprehensive Financial Report presents a narrative overview and analysis of the financial activities of the City of Kyle for the year ended September 30, 2023. The analysis is intended to assist readers in focusing on key financial issues and changes in the City's financial position and in identifying any significant variances from the approved budget.

We encourage our readers to consider the information presented in this section of the annual report in conjunction with additional information that we have provided in our letter of transmittal and the financial statements furnished in this report.

FINANCIAL HIGHLIGHTS

- The City's total assets and deferred outflows exceeded total liabilities and deferred inflows at the end of fiscal year 2023 resulting in a net position of \$530.4 million as of September 30, 2023. Of the total \$530.4 million net position, \$87.3 million remained unrestricted and is available to meet any future obligations of the City.
- Net position for all governmental activities totaled \$230.7 million and \$299.6 million for business-type activities at September 30, 2023.
- \$47.2 million or 51.6% increase in the combined fund balance totaling \$138.6 million for all governmental funds at September 30, 2023, as compared to the prior fiscal year.
- \$1.3 million or 3.9% increase in the ending balance of the City's General Fund totaling \$34.4 million at September 30, 2023, as compared to the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City of Kyle's basic financial statements, consisting of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements, including information on individual funds.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner comparable to a private-sector business. The two government-wide statements are as follows:

- The **Statement of Net Position** presents information on all of the City's assets, deferred outflows and deferred inflows, liabilities, 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 of Kyle is improving or deteriorating.

- The **Statement of Activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement including items that will only result in cash flows in future fiscal periods, such as revenue for uncollected taxes and expenditures for earned but unused vacation leave. This statement includes the annual depreciation for infrastructure and governmental assets.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, planning, economic development, street maintenance, code enforcement, recreation and culture, and solid waste and recycling services. The business-type activities of the City include services provided by the water and wastewater utility system.

Fund Financial Statements

The fund financial statements are intended to report financial information in groupings of related accounts used to account for and manage resources that have been designated for specific activities or objectives. The City of Kyle, like other local governments, utilizes a fund accounting system to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds - are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are reported in governmental funds. These funds focus on current sources and uses of resources and on the balances of available resources at the end of the fiscal year. This information may be useful in evaluating what financial resources are available in the near term to finance the City's future obligations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare 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 revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City's General Fund is reported as a major fund and information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. In addition, the City maintains several governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for each major fund which is first shown on the Balance Sheet for Governmental Funds.

A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the annual budget appropriations and is presented as required supplementary information. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements.

Proprietary Funds – are generally used to account for services for which the City charges customers. Proprietary fund statements provide the same type of information shown in government-wide financial statements, only in more detail.

The City maintains one type of proprietary fund, an Enterprise Fund. This fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses one enterprise fund to account for its water operations, wastewater utility operations, and storm drainage.

Fiduciary Funds – are used to account for resources held in a trust or agency capacity. These funds cannot be used to support governmental activities. The City uses an Other Post Employment Benefit Trust Fund to account for and report resources that are required to be held and committed to a trust for members of the city-paid retiree health insurance benefit plan.

Basis of Reporting – The government-wide statements and fund-level proprietary statements are reported using the flow of economic resources measurement focus and the full accrual basis of accounting. The governmental fund financial statements are reported using the current resources measurement focus and the modified accrual basis of accounting.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to fully understanding the data provided in the government-wide and fund financial statements.

Other Information

The Required Supplementary Information (RSI) section immediately follows the basic financial statements and accompanying notes to the financial statements section of this annual report. The City adopts an annual appropriated budget for the General Fund. The RSI section provides a comparison of revenues, expenditures, and other financing sources and uses of budgetary resources and demonstrates budgetary compliance for the General Fund and this section also provides a schedule of funding process for the retirement plan.

In addition, following the RSI section are other statements and schedules, including the combining statements for non-major governmental funds.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. For the fiscal year ending September 30, 2023, the City's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$530.4 million.

Below are summary highlights of the City's Net Position as of the end of fiscal year 2023 at September 30, 2023:

- Governmental Activities:
 - ❖ Current and Other Assets increased by \$56.6 million or 50.8% primarily from the net results of operations.

- ❖ Capital Assets increased by a net \$37.1 million or 18.4% at the fiscal year-end. Capital outlay totals \$32.0 million net of depreciation of \$7.6 million.
- ❖ Liabilities increased by a net \$59.1 million or 48.3% as a result of debt service payments.
- Business-type Activities:
 - ❖ Current and Other Assets increased by \$5.5 million or 6.5% primarily from the net results of operations.
 - ❖ Capital Assets increased by a net \$54.1 million or 28.1%, primarily from wastewater projects.
 - ❖ Total liabilities decreased by a net \$0.02 million or 0.1% primarily from an increase in accounts payable, and an increase in the Net Pension Liability.

The following table reflects a condensed summary of Statement of Net Position compared to prior year:

City of Kyle, Texas Net Position Information For the Fiscal Year Ended September 30, 2023 (With Comparative Totals for September 30, 2022)						
	Government Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current & other assets	\$ 168,081,743	\$ 111,449,562	\$ 89,578,684	\$ 84,111,769	\$ 257,660,427	\$ 195,561,331
Capital assets	239,123,087	201,979,269	246,714,505	192,613,470	485,837,592	394,592,739
Total assets	\$ 407,204,830	\$ 313,428,831	\$ 336,293,189	\$ 276,725,239	\$ 743,498,019	\$ 590,154,070
Total Deferred Outflow of Resources						
Charge for Refunding	\$ 1,066,607	\$ 1,218,980	\$ -	\$ -	\$ 1,066,607	\$ 1,218,980
Pension Plan	4,055,065	1,739,276	1,351,694	579,762	5,406,759	2,319,038
OPEB Plan	403,148	195,003	134,384	65,006	537,532	260,009
Total Deferred	\$ 5,524,820	\$ 3,153,259	\$ 1,486,078	\$ 644,768	\$ 7,010,898	\$ 3,798,027
Liabilities	\$ 37,986,280	\$ 30,763,732	\$ 3,473,846	\$ 4,508,903	\$ 41,460,126	\$ 35,272,635
Non-current liabilities	143,523,558	91,617,786	34,503,837	33,491,194	178,027,395	125,108,980
Total liabilities	\$ 181,509,838	\$ 122,381,518	\$ 37,977,683	\$ 38,000,097	\$ 219,487,521	\$ 160,381,615
Total Deferred Inflow of Resources						
Pension Plan	\$ 67,906	\$ 1,445,471	\$ 22,636	\$ 481,826	\$ 90,542	\$ 1,927,297
OPEB Plan	435,511	390,581	145,170	130,195	580,681	520,776
Total Deferred	\$ 503,417	\$ 1,836,052	\$ 167,806	\$ 612,021	\$ 671,223	\$ 2,448,073
Net investment in capital assets	\$ 163,389,680	\$ 127,480,004	\$ 214,125,421	\$ 159,851,331	\$ 377,515,101	\$ 287,331,335
Restricted	13,992,055	6,876,878	51,497,685	50,645,129	65,489,740	57,522,007
Unrestricted	53,334,661	58,007,638	34,010,672	28,261,428	87,345,333	86,269,066
Total of Net Position	\$ 230,716,396	\$ 192,364,520	\$ 299,633,778	\$ 238,757,888	\$ 530,350,174	\$ 431,122,408

The largest portion of the City's \$530.4 million net position includes \$377.5 million or 71.2% is its investment in capital assets (e.g., land, buildings, machinery, and equipment); less depreciation and any related 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 depreciation and related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another major portion of the City's \$530.4 million net position is its restricted resources totaling \$65.5 million or 12.3% to be used for capital improvements. The City's \$530.4 million net position also includes resources restricted for special purposes such as for the municipal court and law enforcement in the amount of \$0.19 million or 0.04% and \$0.6 million or 0.1% for debt service. The remaining balance of the City's \$530.4 million net position comprised of unrestricted resources totaling \$87.3 million or 16.5% which may be used to meet future obligations of the City of Kyle.

Changes in Net Position

The following table provides a summary of activities that resulted in the changes to the City's Net Position compared to prior year.

This section intentionally left blank.

City of Kyle, Texas						
Changes in Net Position Information						
For the Fiscal Year Ended September 30, 2023						
(With Comparative Totals for September 30, 2022)						
	Government Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenue						
Program Revenue						
Charges for services	\$ 11,576,274	\$ 20,059,521	\$ 32,745,845	\$ 30,286,608	\$ 44,322,119	\$ 50,346,129
Operating grants and contributions	645,024	154,636	1,560,000	2,000,000	2,205,024	2,154,636
Capital grants and contributions	13,200,504	-	47,275,110	26,213,366	60,475,614	26,213,366
General Revenue						
Property taxes	29,513,667	25,629,065	-	-	29,513,667	25,629,065
Sales tax	16,772,273	14,979,806	-	-	16,772,273	14,979,806
Franchise tax	3,470,034	3,209,076	-	-	3,470,034	3,209,076
Other taxes	742,833	789,522	-	-	742,833	789,522
Contributions						
not restricted	451,998	10,147,595	-	-	451,998	10,147,595
Investment earnings	9,997,707	950,162	128,764	-	10,126,471	950,162
Miscellaneous	5,239,498	259,075	7,716,445	9,226,359	12,955,943	9,485,434
Total Revenue	\$ 91,609,812	\$ 76,178,458	\$ 89,426,164	\$ 67,726,333	\$ 181,035,976	\$ 143,904,791
Expense						
General government	\$ 16,377,665	\$ 13,422,799	\$ -	\$ -	\$ 16,377,665	\$ 13,422,799
Public safety	13,309,320	10,062,483	-	-	13,309,320	10,062,483
Public works	14,728,555	12,926,445	-	-	14,728,555	12,926,445
Culture/Recreation	5,678,181	3,587,831	-	-	5,678,181	3,587,831
Interest on long term debt	4,762,531	2,715,339	-	-	4,762,531	2,715,339
Issuance Costs	-	-	-	-	-	-
Other debt service	-	432,200	-	-	-	432,200
Water	-	-	16,055,517	13,697,635	16,055,517	13,697,635
Wastewater	-	-	8,761,443	7,379,689	8,761,443	7,379,689
Storm Drainage	-	-	2,134,999	1,503,519	2,134,999	1,503,519
Total Expenses	\$ 54,856,252	\$ 43,147,097	\$ 26,951,959	\$ 22,580,843	\$ 81,808,211	\$ 65,727,940
Change in net position						
before Transfers	\$ 36,753,560	\$ 33,031,361	\$ 62,474,205	\$ 45,145,490	\$ 99,227,765	\$ 78,176,851
Transfers (net)	1,598,314	874,002	(1,598,314)	(874,002)	-	-
Change in net position	38,351,875	33,905,363	60,875,890	44,271,488	99,227,765	78,176,851
Net position - beginning	192,364,521	158,459,158	238,757,888	194,486,404	431,122,409	352,945,562
Net position - ending	<u>\$ 230,716,396</u>	<u>\$ 192,364,521</u>	<u>\$ 299,633,778</u>	<u>\$ 238,757,888</u>	<u>\$ 530,350,174</u>	<u>\$ 431,122,413</u>

Governmental Activities – Government-wide Statements

Governmental activities increased the City’s net position by \$38.4 million. Key elements of this change in net position are explained below:

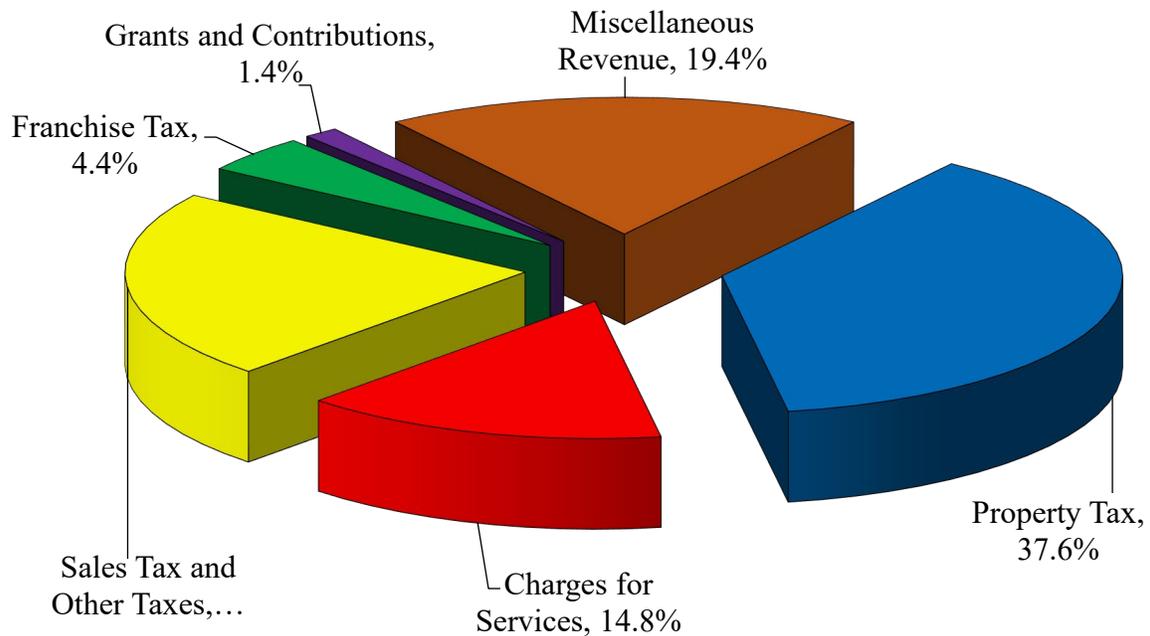
Program Revenue. Total program revenue, which are charges for services, operating grants/contributions and capital grants/contributions decreased by approximately \$8.0 million from the prior year due mainly to net decrease in charges for services of \$8.5 million and net increase in operating and capital grants/contributions of \$0.5 million.

General Revenue. Property taxes, sales tax, franchise fees, and other taxes increased by \$5.9 million or 13.2%. Property tax increased by \$3.9 million or 15.2%, sales tax increased by \$1.8 million or 12.0%, investment earnings increased by \$9.0 million or 952.2% and other taxes decreased by \$0.05 million or 5.9% from the prior fiscal year.

Expenses. Governmental expenses resulted in an overall increase of \$11.7 million or 27.1% compared to the prior year. Following are the main reasons for the increase in expenditures:

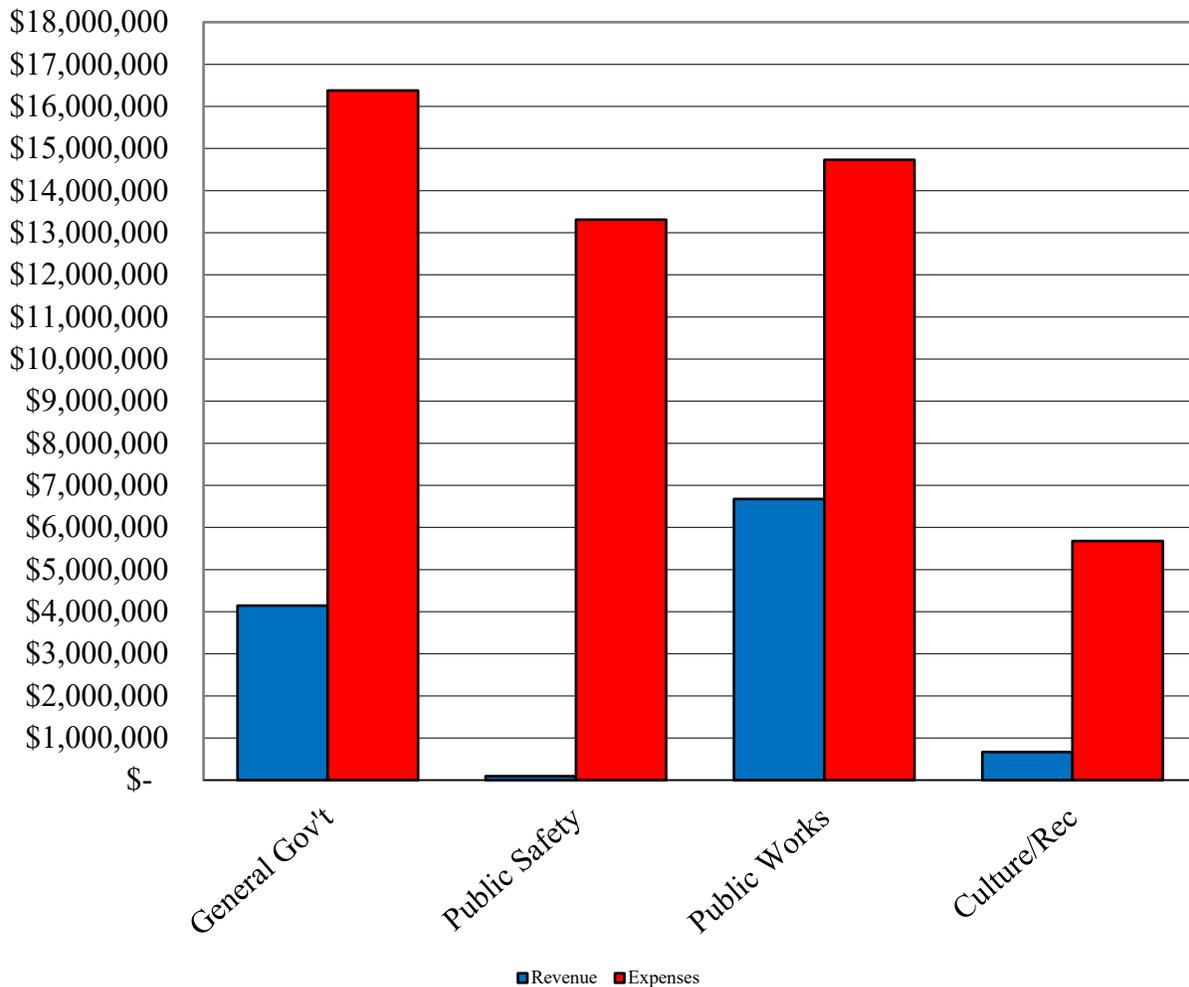
- General Government increased by \$3.0 million or 22.0%.
- Public Safety increased by \$3.2 million or 32.3%. This increase is due to the addition of new staff in Public Safety.
- Public Works increased by \$1.8 million or 13.9%. This increase is the result of increase in operating costs associated with sanitation and recycling services.
- Culture and Recreation increased by \$2.1 million or 58.3% and Bond Interest increased by \$2.0 million or 75.4%.
- Water, Wastewater, and Storm Drainage funds increased by \$2.4 million or 17.2%.
- The legal level of budgetary control is maintained at the function level.

Revenue by Source - Governmental Activities



- As shown in the above chart, the primary sources of revenue for governmental activities are from property taxes (\$29.5 million or 37.6%), charges for services (\$11.6 million or 14.8%), and sales and other tax (\$17.5 million or 22.3%).
- Charges for services include revenue sources such as fees for building inspections, plan review, recreational program fees, trash collection charges, etc.
- Revenue from property taxes increased by \$3.9 million or 15.2% between 2022 and 2023. This increase is due to the increase in the certified tax roll for taxable assessed valuations from \$4.27 billion in 2022 to \$5.95 billion in 2023. The property tax rate adopted effective October 2022 (fiscal year 2023) was \$0.5082 per \$100 of assessed valuation which is the same rate from the previous year.
- Sales and other taxes, which represented \$17.5 million or 19.1% of total revenue for governmental activities increased from the prior year.

Program Revenue and Expenses - Governmental Activities

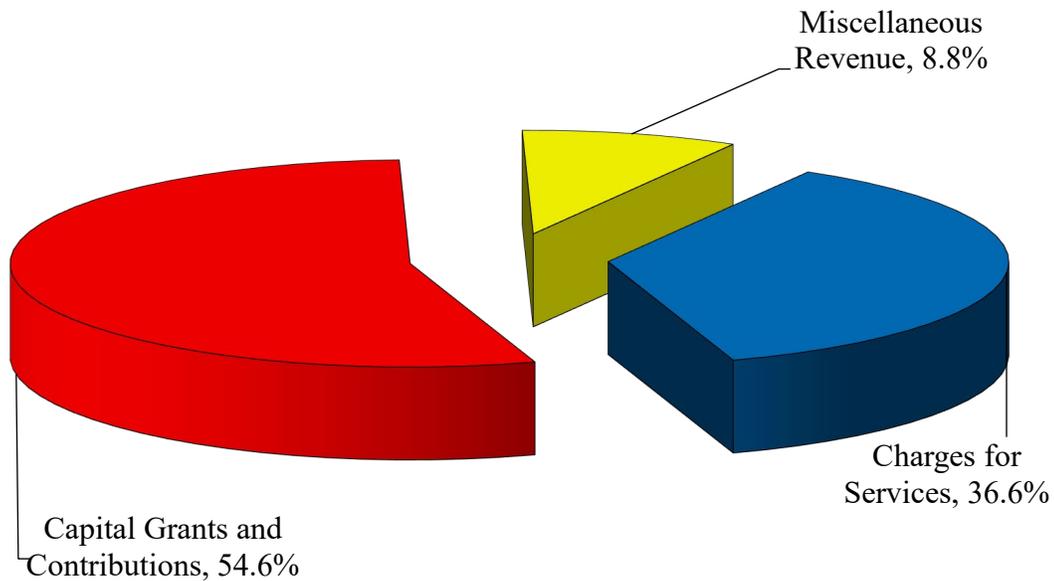


- Based on the chart above General Government is the largest expense function (\$16.4 million or 32.7%). This is followed by Public Works (\$14.7 million or 29.4%), Public Safety (\$13.3 million or 26.6%), and Culture/Recreation (\$5.7 million or 11.3%).
- Interest on Debt and Other Debt Fees do not have a source of program revenue so they are not included in the above chart. The balance of funding for all of the above activities comes from property, sales and other taxes, investment income and transfers from other funds.

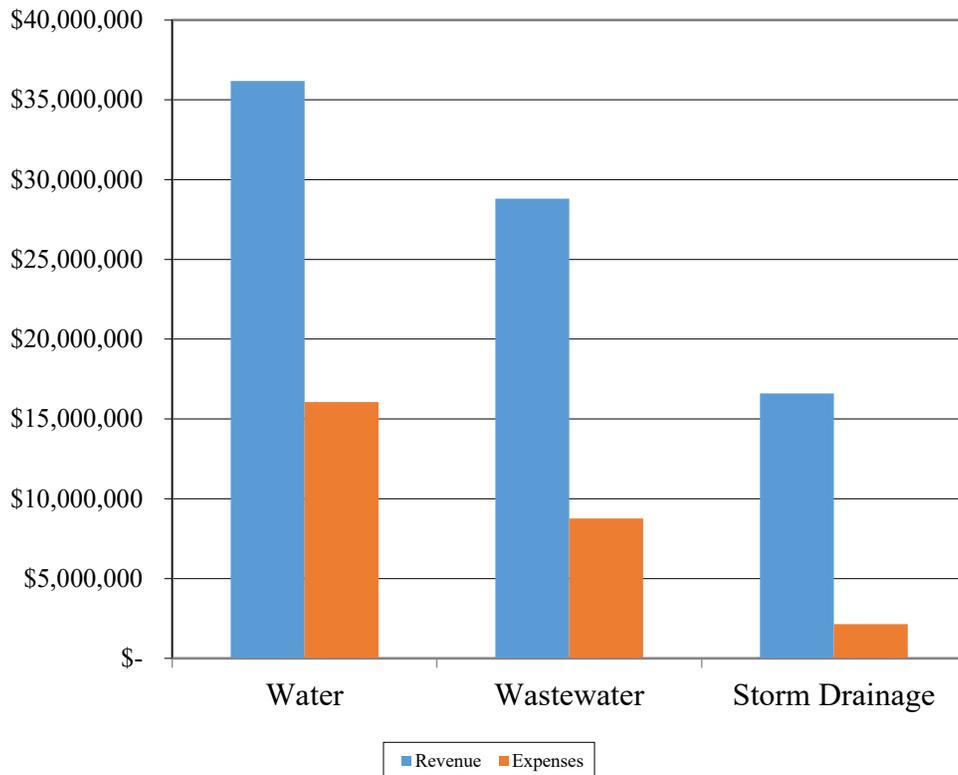
Business-Type Activities – Government-wide Statements

Business-type activities increased the City’s net position by \$60.9 million in fiscal year 2023. This was the net result of \$89.4 million in revenue, \$27.0 million in expenses, and \$1.6 million in transfers out. The two charts below provide similar information as shown previously but only for business-type activities instead of governmental activities.

Revenue by Source - Business-Type Activities



Direct Program Revenue and Expenses - Business-Type Activities



Revenue. Charges for services revenue for business-type activities include City's Water, Wastewater and Storm Drainage Utility operations which increased from the prior year. Revenue from charges for services increased by \$2.5 million or 8.1% from the prior year due to the addition of new customers. Contributions for capital grants increased by \$21.1 million as compared to the previous year.

Expenses. Business-type expenses totaled \$27.0 million, an overall increase of \$4.4 million or 19.4% from the prior fiscal year.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND LEVEL STATEMENTS

In comparison to the government-wide statements, the fund-level statements focus on the key funds of the City. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The City reports the following types of governmental funds: the general fund, special revenue funds, debt service funds, and capital projects funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and available resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available at the end of the fiscal year.

As of September 30, 2023, the City's governmental funds reported combined ending fund balance of \$138.6 million. Of this amount \$104.2 million is restricted or assigned and the remaining \$34.4 million is unassigned fund balance available for future obligations.

General Fund – The General Fund is the primary operating fund of the City. On September 30, 2023, the unassigned fund balance totaled \$34.4 million. The unassigned General Fund Balance increased by \$1.3 million or 3.9% at September 30, 2023 as compared to the prior fiscal year primarily due a combination of increase in revenue and reduction in budgeted expenditures. The current year tax collection rate was 99.5% of the levy.

Overall, total General Fund revenue increased by \$3.6 million or 7.0% and actual expenditures increased by approximately \$8.4 million or 24.9% during fiscal year 2023 as compared to the prior fiscal year 2022. General government functions, which serves as a roll-up for non-specific activities, increased by \$2.9 million or 23.7% over the prior year. Public Safety increased by \$2.3 million or 23.2%, Culture/Recreation increased by \$1.7 million or 55.9% and Public Works increased by \$1.0 million or 13.5%. The increase was mainly due to increases to non-CIP capital outlay items.

Budget Variances. All expenditures for the City's General Fund functions and activities were within adopted budget appropriations for fiscal year 2023. The following two charts illustrate first, a breakdown of general governmental activity revenue by source and second, a comparison of program revenue and expenditures by function.

The Debt Service Fund is used to account for financial activity related to the City's general bonded indebtedness, as well as other long-term obligations. Revenues from property taxes used for Debt Service increased by \$3.9 million in 2023 to \$12.2. The related debt service increased to \$14.7 million, which is primarily attributable to outstanding debt in 2023.

The Capital Projects Funds are used to account for financial activity related to the City indebtedness for Capital Projects, other City contributions, and the operating activities of those projects. During 2023, fund balance increased by \$41.5 million. The increase in the Capital Projects was mainly due to fund the following projects: (i) to plan, design, reconstruction, expand and upgrade of 9 specific roadways from the 2020 CO Bond Fund approved by voters in 2022.

Other Governmental Funds – In addition to the General Fund, Governmental Funds include Special Revenue Funds, Debt Service Fund and Capital Projects Funds. As of September 30, 2023, the all Other Governmental Funds reported combined ending fund balance of \$21.9 million. Please refer to Exhibit C-3 on pages 26 and 27 and Exhibit H-2 on pages 89 through 92 of the financial statements for detailed information pending to changes in fund balances for Governmental Funds.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. The City accounts for its Water, Wastewater Utility, and Storm Drainage operations in an Enterprise Fund within the Proprietary Fund category for business-type activities.

Operating revenue for the water fund showed a \$1.2 million or 6.5% increase from the prior year, the operating revenue for the wastewater fund showed a \$1.2 million or 11.1% increase from the previous year. The storm drainage fund showed an increase of \$0.12 million or 6.8% increase from the previous year. Factors that contributed to the increase in net position are discussed in the business-type activities section of the government-wide statements.

CAPITAL ASSET AND DEBT MANAGEMENT

Capital Assets

The City of Kyle's investment in capital assets for its governmental and business type activities as of September 30, 2023, totaled \$484.4 million (net of accumulated depreciation). This investment in capital assets include land, buildings and improvements, equipment, vehicles, infrastructure, and construction in progress. The total increase in the City of Kyle's investment in capital assets for the fiscal year ended September 30, 2023 was \$91.1 million or 23.1% from the prior year.

The following table summarizes the City of Kyle's investment in capital assets:

City of Kyle, Texas Capital Assets Information September 30, 2023 (With Comparative Totals for September 30, 2022)						
	Government Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 6,043,135	\$ 5,159,762	\$ 691,935	\$ 691,935	\$ 6,735,070	\$ 5,851,697
Buildings	18,853,586	18,622,136	3,139,171	3,139,171	21,992,757	21,761,307
Improvements other than buildings	5,976,171	5,523,866	218,368,819	164,130,105	224,344,990	169,653,971
Machinery and equipment	9,170,106	8,854,528	4,511,012	4,380,021	13,681,118	13,234,549
Infrastructure	221,890,327	181,463,264	-	-	221,890,327	181,463,264
Construction in Progress	55,603,343	53,973,647	65,670,355	60,506,076	121,273,698	114,479,723
Right-to-Use Assets	2,128,570	1,371,136	750,724	550,151	2,879,294	1,921,287
Less: Accumulated depreciation	(80,542,151)	(7,298,970)	(46,417,512)	(40,783,990)	(126,959,663)	(48,082,960)
Total	\$ 239,123,087	\$ 267,669,369	\$ 246,714,503	\$ 192,613,469	\$ 485,837,591	\$ 460,282,838

Significant changes in capital asset balances during the fiscal year resulted from the following events:

- Parks, study and design for road improvements and real estate acquisition totaled approximately \$32.0 million for the year.
- Contributed capital is \$47.3 million in the Business-Type Activities and \$14.3 million in the Government Activities.

Detailed information on capital asset activity for the fiscal year ended September 30, 2023 is provided in Note D to the Financial Statements on pages 51 to 53.

Debt Management

At September 30, 2023, the City's net outstanding debt totaled \$175.0 million. This is an increase of approximately \$43.7 million.

The City's bond rating was maintained at AA- by Standard & Poor's rating agency based on the City's strong liquidity and financial position, stable economic growth outlook in Kyle, and the City's strong financial management conditions due largely to its financial management practices.

The City of Kyle currently does not have any outstanding debt associated with special assessments such as for Public Improvement District bonds.

The table below summarizes the status of the City's outstanding debt (principal amount only) as of September 30, 2023, with a comparison of outstanding debt from the prior year. In addition, please refer to Note F – Long-Term Liabilities on page 49 in the Notes to the Financial Statement for detailed information on the changes in long-term debt.

City of Kyle, Texas Outstanding Debt Information September 30, 2023 (With Comparative Totals for September 30, 2022)						
	Government Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Debt obligations	\$ 132,780,000	\$ 93,920,000	\$ 26,965,000	\$ 27,485,000	\$ 159,745,000	\$ 121,405,000
Premium on bonds	9,981,543	4,489,293	5,223,760	5,324,496	15,205,303	9,813,789
Capital lease - Plant	-	-	-	-	-	-
Total	\$ 142,761,543	\$ 98,409,293	\$ 32,188,760	\$ 32,809,496	\$ 174,950,303	\$ 131,218,789

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local Economy and Outlook

The City of Kyle residents enjoy a vibrant local economy and an excellent quality of life. Among the many factors attributing to the vibrancy of Kyle include a high per capita household income, low unemployment rate, educated workforce, employment growth, and the continued addition of new businesses in the consumer, medical, and light manufacturing sectors.

All leading indicators during fiscal year 2023 showed that the City of Kyle's local economy has been robust and the outlook over the next year's budget development cycle is that of continued growth.

Among the major indicators of a stable yet an expanding local economy include growth in population, building permits, taxable valuations, property tax collection rate, and the trend for sales tax collections.

Accordingly, we are pleased to report the following trends in the economic indicators for the fiscal year ended September 30, 2022 as compared to the prior year:

- 39.3% increase in taxable assessed property valuations.
- 99.5% annual property tax collection rate.
- 11.7% increase in sales tax collections.
- 8.0% projected annual increase in population.

Variations in Budget Appropriations			
General Fund (Budgetary Basis) - Expenditures			
	Original Budget	Final Budget	Actual Results
General Government	\$ 17,295,336	\$ 17,478,548	\$ 14,983,230
Public Safety	15,008,884	15,060,634	12,313,260
Public Works	8,517,968	8,517,968	8,184,222
Culture and Recreation	4,456,415	4,462,771	4,858,815
Principal & Interest	-	-	601,037
Capital Outlay	476,244	501,694	1,127,625
	<u>\$ 45,754,847</u>	<u>\$ 46,021,615</u>	<u>\$ 42,068,189</u>

Changes in original budget appropriations to the final amended budget appropriations resulted in a net \$0.27 million increase in appropriations. This increase can be summarized by the following:

- General Government, Public Safety and Capital Outlay had a net change of approximately \$260,000 increase to adjusted appropriated balances to meet changing needs of the City throughout the year.

Next Year's Budget

The fiscal year 2024 adopted budget totals \$272.5 million and includes \$71.6 million for the General Fund to provide public safety, code enforcement, parks, street maintenance, library, and other municipal services to the citizens of Kyle.

The fiscal year 2024 Budget was adopted with a property tax rate of \$0.4693 per \$100 of assessed taxable valuation. This is a reduction of property tax rate as compared to the prior fiscal year. The fiscal year 2024 adopted budget makes significant investment totaling \$136.1 million in the City's capital improvements program. The budget provides for an average 7.0 percent pay increase for civil service employees (police officers), a 7.0 percent pay increase for civilian City employees, compliance with the meet and confer requirements for civil service employees, addition of new positions for police officers, library, public works, code enforcement, and emergency dispatch operations. The budget also provides for new vehicles, trucks, and heavy equipment.

The adopted budget for fiscal year 2024 did not increase rates for water and wastewater services but did include a 2.4 percent rate increase for solid waste collection services based on the contract terms entered into by the City with Texas Disposal Systems.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Kyle's Director of Finance, 100 West Center St., Kyle, Texas 78640.



BASIC FINANCIAL STATEMENTS



CITY OF KYLE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government		
	Governmental Activities	Business - Type Activities	Total
ASSETS			
Pooled Cash and Investments	\$ 78,912,156	\$ 31,916,463	\$ 110,828,619
Receivable (Net)	16,433,683	6,670,403	23,104,086
Due from Other Funds	510,526	(510,526)	-
Prepaid Items	6,776	4,659	11,435
Permanently Restricted:			
Restricted Pooled Cash and Investments	71,119,470	51,131,309	122,250,779
Capital Assets:			
Nondepreciable, Capital Assets	61,646,478	66,362,290	128,008,768
Capital Assets - Net of Accumulated Depreciation,	176,418,744	179,979,116	356,397,860
Right-to-Use Lease Assets-Net of Accumulated Depr	1,057,865	373,099	1,430,964
Net OPEB Asset - Health	1,099,132	366,376	1,465,508
Total Assets	<u>407,204,830</u>	<u>336,293,189</u>	<u>743,498,019</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge for Refunding	1,066,607	-	1,066,607
Related to Pension Plan	4,055,065	1,351,694	5,406,759
Related to OPEB Plan	403,148	134,384	537,532
Total Deferred Outflows of Resources	<u>5,524,820</u>	<u>1,486,078</u>	<u>7,010,898</u>

CITY OF KYLE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

EXHIBIT A-1

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
LIABILITIES			
Accounts Payable	4,339,341	1,310,367	5,649,708
Wages and Salaries Payable	919,867	287,913	1,207,780
Contracts Payable	268,996	-	268,996
Customer Deposits	4,164	1,031,328	1,035,492
Accrued Interest Payable	1,569,833	141,200	1,711,033
Unearned Revenues	21,892,245	-	21,892,245
Other Current Liabilities	2,266	-	2,266
Liabilities Payable	118,127	-	118,127
Noncurrent Liabilities:			
Due Within One Year	8,871,441	703,038	9,574,479
Due in More Than One Year:			
Bonds Payable - Noncurrent and Leases	135,025,166	31,886,046	166,911,212
Compensated Absences Payable	2,662,289	672,423	3,334,712
Net Pension Liability	5,594,628	1,864,877	7,459,505
Net OPEB Liability - SDBF	241,475	80,491	321,966
Total Liabilities	<u>181,509,838</u>	<u>37,977,683</u>	<u>219,487,521</u>
DEFERRED INFLOWS OF RESOURCES			
Related to Pension Plan	67,906	22,636	90,542
Deferred Inflow Related to OPEB Plan	435,511	145,170	580,681
Total Deferred Inflows of Resources	<u>503,417</u>	<u>167,806</u>	<u>671,223</u>
NET POSITION			
Net Investment in Capital Assets and Lease Assets	163,389,680	214,125,421	377,515,101
Restricted:			
Restricted for OPEB	1,099,132	366,376	1,465,508
Restricted for Capital Acquisition	-	51,131,309	51,131,309
Restricted for Debt Service	638,892	-	638,892
Restricted for Tourism and Other Purposes	12,254,031	-	12,254,031
Unrestricted Net Position	<u>53,334,661</u>	<u>34,010,672</u>	<u>87,345,333</u>
Total Net Position	<u>\$ 230,716,396</u>	<u>\$ 299,633,778</u>	<u>\$ 530,350,174</u>

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

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

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 16,377,665	\$ 4,140,606	\$ -	\$ 13,200,504
Public Safety	13,309,320	95,407	163,168	-
Public Works	14,728,555	6,672,415	481,856	-
Culture and Recreation	5,678,181	667,846	-	-
Interest and Other Fees	4,762,531	-	-	-
Total Governmental Activities	54,856,252	11,576,274	645,024	13,200,504
BUSINESS-TYPE ACTIVITIES:				
Water Fund	16,055,517	18,924,130	1,560,000	15,694,909
Wastewater Fund	8,761,445	11,944,220	-	16,857,173
Storm Drainage Fund	2,134,998	1,877,495	-	14,723,028
Total Business-Type Activities	26,951,960	32,745,845	1,560,000	47,275,110
TOTAL PRIMARY GOVERNMENT	\$ 81,808,212	\$ 44,322,119	\$ 2,205,024	\$ 60,475,614

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

General Sales and Use Taxes

Franchise Tax

Other Taxes

Grants and Contributions

Miscellaneous Revenue

Investment Earnings

Transfers In (Out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 963,445	\$ -	\$ 963,445
(13,050,745)	-	(13,050,745)
(7,574,284)	-	(7,574,284)
(5,010,335)	-	(5,010,335)
(4,762,531)	-	(4,762,531)
<u>(29,434,450)</u>	<u>-</u>	<u>(29,434,450)</u>
-	20,123,522	20,123,522
-	20,039,948	20,039,948
-	14,465,525	14,465,525
-	54,628,995	54,628,995
<u>(29,434,450)</u>	<u>54,628,995</u>	<u>25,194,545</u>
17,117,854	-	17,117,854
12,395,813	-	12,395,813
16,772,273	-	16,772,273
3,470,034	-	3,470,034
742,833	-	742,833
451,998	-	451,998
5,239,498	7,716,445	12,955,943
9,997,708	128,764	10,126,472
1,598,314	(1,598,314)	-
<u>67,786,325</u>	<u>6,246,895</u>	<u>74,033,220</u>
38,351,875	60,875,890	99,227,765
<u>192,364,521</u>	<u>238,757,888</u>	<u>431,122,409</u>
<u>\$ 230,716,396</u>	<u>\$ 299,633,778</u>	<u>\$ 530,350,174</u>

CITY OF KYLE
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Debt Service Fund	Capital Projects
ASSETS			
Pooled Cash and Investments	\$ 31,224,878	\$ -	\$ 25,356,373
Restricted Pooled Cash and Cash Equivalents	-	707,123	58,313,304
Receivable (Net)	6,113,706	165,877	10,000,000
Due from Other Funds	510,704	-	-
Prepaid Items	6,776	-	-
Total Assets	<u>\$ 37,856,064</u>	<u>\$ 873,000</u>	<u>\$ 93,669,677</u>
LIABILITIES			
Accounts Payable	\$ 1,606,324	\$ 389	\$ 2,245,400
Wages and Salaries Payable	917,262	-	-
Contracts Payable	218,996	-	-
Customer Deposits	4,164	-	-
Due to Other Funds	178	-	-
Accrued Interest Payable	-	80,840	-
Unearned Revenues	-	-	9,877,441
Other Current Liabilities	2,266	-	-
Liabilities Payable from Restricted Assets	118,127	-	-
Total Liabilities	<u>2,867,317</u>	<u>81,229</u>	<u>12,122,841</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	207,329	152,879	-
Deferred Inflows - Unavailable Revenue	363,000	-	-
Total Deferred Inflows of Resources	<u>570,329</u>	<u>152,879</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
Prepaid Items	6,776	-	-
Restricted Fund Balance:			
Restricted Fund Balance - Tourism and Other	-	-	-
Restricted Fund Balance - Debt Service	-	638,892	-
Restricted Fund Balance - Capital Projects	-	-	56,811,761
Assigned Fund Balance:			
Assigned Fund Balance - Capital Projects	-	-	24,735,075
Unassigned Fund Balance	34,411,642	-	-
Total Fund Balances	<u>34,418,418</u>	<u>638,892</u>	<u>81,546,836</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 37,856,064</u>	<u>\$ 873,000</u>	<u>\$ 93,669,677</u>

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

General Government Grants	Other Funds	Total Governmental Funds
\$ 12,145,289	\$ 10,185,616	\$ 78,912,156
-	12,099,043	71,119,470
900	153,200	16,433,683
-	3,623	514,327
-	-	6,776
<u>\$ 12,146,189</u>	<u>\$ 22,441,482</u>	<u>\$ 166,986,412</u>
\$ 1,424	\$ 485,804	\$ 4,339,341
1,713	892	919,867
-	50,000	268,996
-	-	4,164
-	3,623	3,801
-	-	80,840
12,014,804	-	21,892,245
-	-	2,266
-	-	118,127
<u>12,017,941</u>	<u>540,319</u>	<u>27,629,647</u>
-	-	360,208
-	-	363,000
-	-	723,208
-	-	6,776
128,248	12,125,783	12,254,031
-	-	638,892
-	1,757,560	58,569,321
-	8,024,020	32,759,095
-	(6,200)	34,405,442
<u>128,248</u>	<u>21,901,163</u>	<u>138,633,557</u>
<u>\$ 12,146,189</u>	<u>\$ 22,441,482</u>	<u>\$ 166,986,412</u>

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

Total Fund Balances - Governmental Funds	\$	138,633,557
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.		105,208,022
Some assets, liabilities and deferred outflows/inflows, reported in the statement of net position do not require the use or provide current financial resources and, therefore, are not reported in the balance sheet in governmental funds.		(13,125,179)
Deferred Charge on Refunding	\$1,066,607	
Unamortized Premiums	(9,981,542)	
Net Pension Liability	(5,594,628)	
Deferred Inflows Property Tax	360,208	
Compensated Absences	(2,662,289)	
Pension Plan Deferred Inflows	(67,907)	
Pension Plan Deferred Outflows	4,055,070	
Deferred Inflow	363,000	
Interest Accrual	(1,488,993)	
Net OPEB Asset	1,099,132	
Net OPEB Liability	(241,475)	
OPEB Plan Deferred Outflows	403,148	
OPEB Plan Deferred Inflows	<u>(435,511)</u>	
Subtotal	<u>\$(13,125,183)</u>	
Net Position of Governmental Activities	\$	<u>230,716,400</u>

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

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

	General Fund	Debt Service Fund	Capital Projects
REVENUES:			
Taxes:			
Property Taxes	\$ 16,281,191	\$ 12,242,934	\$ -
General Sales and Use Taxes	16,772,273	-	-
Franchise Tax	3,397,207	-	-
Other Taxes	160,547	-	-
Licenses and Permits	5,658,326	-	-
Intergovernmental Revenue and Grants	28,512	-	481,856
Charges for Services	7,397,145	-	-
Fines	444,783	-	-
Special Assessments	-	-	-
Investment Earnings	4,334,448	-	5,662,505
Contributions & Donations from Private Sources	72,000	-	-
Other Revenue	221,644	-	122,559
Total Revenues	<u>54,768,076</u>	<u>12,242,934</u>	<u>6,266,920</u>
EXPENDITURES:			
Current:			
General Government	14,983,230	-	40,069
Public Safety	12,313,260	-	-
Public Works	8,184,222	-	-
Culture and Recreation	4,858,815	-	-
Debt Service:			
Principal on Debt	560,465	10,980,000	-
Interest on Debt	-	3,774,681	-
Interest on Right-to-Use Leases	40,572	-	-
Other Debt Service	-	-	526,481
Capital Outlay:			
Capital Outlay	1,127,625	-	24,068,508
Total Expenditures	<u>42,068,189</u>	<u>14,754,681</u>	<u>24,635,058</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,699,887</u>	<u>(2,511,747)</u>	<u>(18,368,138)</u>
OTHER FINANCING SOURCES (USES):			
Issuance of Bonds	-	-	41,575,000
Transfers In	2,735,169	1,799,267	13,021,154
Premium or Discount on Issuance of Bonds	-	-	5,960,458
Other Sources - Leases	757,434	-	-
Transfers Out (Use)	(14,902,547)	(950,035)	(682,355)
Total Other Financing Sources (Uses)	<u>(11,409,944)</u>	<u>849,232</u>	<u>59,874,257</u>
Net Change in Fund Balances	1,289,943	(1,662,515)	41,506,119
Fund Balance - October 1 (Beginning)	33,128,475	2,301,407	40,040,717
Fund Balance - September 30 (Ending)	<u>\$ 34,418,418</u>	<u>\$ 638,892</u>	<u>\$ 81,546,836</u>

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

General Government Grants	Other Funds	Total Governmental Funds
\$ -	\$ 629,334	\$ 29,153,459
-	-	16,772,273
-	72,827	3,470,034
-	582,286	742,833
-	-	5,658,326
131,558	3,097	645,023
-	2,059,731	9,456,876
-	-	444,783
-	1,138,835	1,138,835
-	755	9,997,708
-	380,000	452,000
-	10,662	354,865
<u>131,558</u>	<u>4,877,527</u>	<u>78,287,015</u>
-	368,229	15,391,528
162,206	-	12,475,466
-	-	8,184,222
-	90,063	4,948,878
-	-	11,540,465
-	393,627	4,168,308
-	-	40,572
-	-	526,481
-	6,890,597	32,086,730
<u>162,206</u>	<u>7,742,516</u>	<u>89,362,650</u>
<u>(30,648)</u>	<u>(2,864,989)</u>	<u>(11,075,635)</u>
-	8,265,000	49,840,000
52,379	1,283,449	18,891,418
-	128,627	6,089,085
-	-	757,434
-	(758,167)	(17,293,104)
<u>52,379</u>	<u>8,918,909</u>	<u>58,284,833</u>
21,731	6,053,920	47,209,198
<u>106,517</u>	<u>15,847,243</u>	<u>91,424,359</u>
<u>\$ 128,248</u>	<u>\$ 21,901,163</u>	<u>\$ 138,633,557</u>

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

Total Net Change in Fund Balances - Governmental Funds	\$	47,209,198
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2015 capital outlays and debt principal payments is to increase (decrease) the change in net position.		42,309,295
Capital Outlay	\$31,329,295	
Debt Service Payments	<u>5,490,000</u>	
Total	\$42,309,295	
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(7,556,226)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) the change in net position.		(43,610,392)
Change in Net Position of Governmental Activities	\$	<u>38,351,875</u>

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

CITY OF KYLE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Total Enterprise Funds
ASSETS				
Current Assets:				
Pooled Cash and Investments	\$ 17,292,655	\$ 9,929,112	\$ 4,694,696	\$ 31,916,463
Receivable (Net)	3,700,210	2,602,770	367,423	6,670,403
Due from Other Funds	54,644	1,219,848	3,060	1,277,552
Prepaid Items	1,711	1,584	1,364	4,659
Total Current Assets	<u>21,049,220</u>	<u>13,753,314</u>	<u>5,066,543</u>	<u>39,869,077</u>
Noncurrent Assets:				
Restricted Pooled Cash and Investments	26,062,616	25,068,693	-	51,131,309
Capital Assets:				
Nondepreciable. Capital Assets	4,566,923	61,623,483	171,884	66,362,290
Capital Assets - Net of Accumulated Depreciation.	61,973,097	69,297,247	48,708,772	179,979,116
Right-to-Use Lease Assets, net	264,959	103,012	5,128	373,099
Net OPEB Asset	161,206	117,241	87,929	366,376
Total Noncurrent Assets	<u>93,028,801</u>	<u>156,209,676</u>	<u>48,973,713</u>	<u>298,212,190</u>
Total Assets	<u>114,078,021</u>	<u>169,962,990</u>	<u>54,040,256</u>	<u>338,081,267</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pension Plan	594,749	432,537	324,408	1,351,694
Related to OPEB Plan	59,129	43,003	32,252	134,384
Total Deferred Outflows of Resources	<u>653,878</u>	<u>475,540</u>	<u>356,660</u>	<u>1,486,078</u>

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

CITY OF KYLE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds
	Water Fund	Wastewater Fund	Storm Drainage Fund	
LIABILITIES				
Current Liabilities:				
Accounts Payable	453,802	850,747	5,818	1,310,367
Wages and Salaries Payable	428,257	426,227	105,852	960,336
Customer Deposits	696,327	335,001	-	1,031,328
Due to Other Funds	1,756,590	32,491	(1,003)	1,788,078
Accrued Interest Payable	-	141,200	-	141,200
Bonds Payable - Current	-	535,000	-	535,000
Right-to-Use Leases Payable - Current	119,333	46,395	2,310	168,038
Total Current Liabilities	3,454,309	2,367,061	112,977	5,934,347
Noncurrent Liabilities:				
Bonds Payable - Noncurrent	-	31,653,760	-	31,653,760
Financing Leases Payable - Noncurrent	164,962	64,132	3,192	232,286
Net Pension Liability	820,547	596,761	447,569	1,864,877
Net OPEB Liability	35,416	25,757	19,318	80,491
Total Noncurrent Liabilities	1,020,925	32,340,410	470,079	33,831,414
Total Liabilities	4,475,234	34,707,471	583,056	39,765,761
DEFERRED INFLOWS OF RESOURCES				
Related to Pension Plan	9,960	7,243	5,433	22,636
Deferred Inflow Related to OPEB Plan	63,875	46,454	34,841	145,170
Total Deferred Inflows of Resources	73,835	53,697	40,274	167,806
NET POSITION				
Net Investment in Capital Assets and Lease Assets Restricted for OPEB	66,520,684	98,724,455	48,880,282	214,125,421
Restricted for Capital Improvement - Impact Fee	161,206	117,241	87,929	366,376
Unrestricted Net Position	26,062,616	25,068,693	-	51,131,309
Total Net Position	\$ 110,182,830	\$ 135,677,362	\$ 53,773,586	\$ 299,633,778

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

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

	Business-Type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Total Enterprise Funds
OPERATING REVENUES:				
Charges for Services	\$ 18,924,130	\$ -	\$ -	\$ 18,924,130
Charges for Sewage Service	-	11,944,220	-	11,944,220
Storm Drainage Fee	-	-	1,877,495	1,877,495
Rents and Royalties	41,520	-	-	41,520
Other Revenue	138,729	106,458	750	245,937
Total Operating Revenues	<u>19,104,379</u>	<u>12,050,678</u>	<u>1,878,245</u>	<u>33,033,302</u>
OPERATING EXPENSES:				
Personnel Services - Salaries and Wages	3,313,340	2,737,078	913,510	6,963,928
Purchased Professional & Technical Services	9,895,519	2,004,390	201,361	12,101,270
Other Operating Costs	820,195	310,809	7,622	1,138,626
Depreciation	1,955,150	2,681,396	1,010,759	5,647,305
Total Operating Expenses	<u>15,984,204</u>	<u>7,733,673</u>	<u>2,133,252</u>	<u>25,851,129</u>
Operating Income (Loss)	<u>3,120,175</u>	<u>4,317,005</u>	<u>(255,007)</u>	<u>7,182,173</u>
NONOPERATING REVENUES (EXPENSES):				
Contributions & Donations from Private Sources	1,560,000	-	-	1,560,000
Investment Earnings	-	128,764	-	128,764
Other Non-Operating Revenues - Impact Fees	3,856,780	3,572,208	-	7,428,988
Interest Expense - Non-Operating	(71,313)	(1,027,772)	(1,746)	(1,100,831)
Total Nonoperating Revenue (Expenses)	<u>5,345,467</u>	<u>2,673,200</u>	<u>(1,746)</u>	<u>8,016,921</u>
Income (Loss) Before Contributions & Transfers	8,465,642	6,990,205	(256,753)	15,199,094
Capital Contributions	15,694,909	16,857,173	14,723,028	47,275,110
Transfers Out (Use)	(907,982)	(690,332)	-	(1,598,314)
Change in Net Position	23,252,569	23,157,046	14,466,275	60,875,890
Total Net Position - October 1 (Beginning)	<u>86,930,261</u>	<u>112,520,316</u>	<u>39,307,311</u>	<u>238,757,888</u>
Total Net Position - September 30 (Ending)	<u>\$ 110,182,830</u>	<u>\$ 135,677,362</u>	<u>\$ 53,773,586</u>	<u>\$ 299,633,778</u>

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

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

	Business-Type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 16,948,803	\$ 11,544,225	\$ 1,828,857	\$ 30,321,885
Payments to Suppliers	(10,959,585)	(3,008,091)	(256,300)	(14,223,976)
Payment to Employees	(3,190,337)	(2,589,869)	(877,280)	(6,657,486)
Net cash provided by operating activities	\$ 2,798,881	\$ 5,946,265	\$ 695,277	\$ 9,440,423
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Payments (advances) from other funds	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Transfers out	(907,982)	(690,332)	-	(1,598,314)
Net cash provided (used) by non-capital financing activities	\$ (907,982)	\$ (690,332)	\$ -	\$ (1,598,314)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Bond and Lease Payments	\$ 9,477	\$ (765,836)	\$ 5,502	\$ (750,857)
Contributions	1,560,000	-	-	1,560,000
Investment Earnings	-	128,764	-	128,764
Purchase of Capital Assets	(2,023,511)	(10,489,626)	42,832	(12,470,305)
Interest expenses	(71,313)	(1,027,772)	(1,746)	(1,100,831)
Impact fees	3,856,780	3,572,208	-	7,428,988
Net cash provided (used) by capital and related financing activities	\$ 3,331,433	\$ (8,582,262)	\$ 46,588	\$ (5,204,241)
Net increase (decrease) in cash and cash equivalents	\$ 5,222,332	\$ (3,326,329)	\$ 741,865	\$ 2,637,868
Cash and cash equivalents - beginning of year	\$ 38,132,939	\$ 38,324,134	\$ 3,952,831	\$ 80,409,904
Cash and cash equivalents - end of year	\$ 43,355,271	\$ 34,997,805	\$ 4,694,696	\$ 83,047,772
Noncash flow information				
Capital Contribution	\$ 15,694,909	\$ 16,857,173	\$ 14,723,028	\$ 47,275,110

The notes to the Financial Statements are an integral part of this statement.

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

	Business-Type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Total Enterprise Funds
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 3,120,175	\$ 4,317,005	\$ (255,007)	\$ 7,182,173
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	\$ 1,955,150	\$ 2,681,396	\$ 1,010,759	\$ 5,647,305
Changes in assets and liabilities				
Prepaid Items	\$ (249)	\$ (249)	\$ (207)	\$ (705)
Accounts receivable	(2,106,261)	(498,113)	(49,388)	(2,653,762)
Accounts payable	(243,622)	(692,643)	(47,110)	(983,375)
Wages and salaries payable	159,911	174,051	56,360	390,322
Customer deposits	(49,315)	(8,340)	-	(57,655)
OPEB Asset	(76,816)	(55,866)	(41,899)	(174,581)
Pension Liability	570,124	414,635	310,976	1,295,735
OPEB Liability	35,416	25,757	19,318	80,491
Deferred Outflows	(370,179)	(269,216)	(201,915)	(841,310)
Deferred Inflows	(195,453)	(142,152)	(106,610)	(444,215)
Net cash provided by operating activities	<u>\$ 2,798,881</u>	<u>\$ 5,946,265</u>	<u>\$ 695,277</u>	<u>\$ 9,440,423</u>

The notes to the Financial Statements are an integral part of this statement.

City of Kyle
Statement of Fiduciary Net Position
Fiduciary Fund
September 30, 2023

	OPEB Trust Fund
ASSETS	
Cash and cash equivalents	\$ 18,614
Investments - Mutual Funds	1,967,156
Total assets	\$ 1,985,770
 LIABILITIES	
Other liability	\$ -
Total liabilities	\$ -
 NET POSITION	
Net position restricted for OPEB	\$ 1,985,770
Total net position	\$ 1,985,770

The notes to the Financial Statements are an integral part of this statement

City of Kyle
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the year ended September 30, 2023

	<u>OPEB</u> <u>Trust Fund</u>
ADDITIONS	
Contributions	\$ -
Net Investments income	
Interest and dividends (includes fair value changes)	228,320
Total Additions	<u>\$ 228,320</u>
 DEDUCTIONS	
Benefit payments	\$ -
Administrative expenses	(30,778)
Total Deductions	<u>\$ (30,778)</u>
Change in net position	\$ 197,542
NET POSITION, beginning	<u>\$ 1,788,228</u>
NET POSITION, ending	<u><u>\$ 1,985,770</u></u>

The notes to the Financial Statements are an integral part of this statement

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Kyle, Texas (the City) adopted a City Charter in October 2000. As a home rule form of government, the City Council determines policy. The City Manager is the Chief Administrator of the City and is appointed by the City Council. The City provides the following services: Public Safety, Street Maintenance, Refuse Collection, Recreation Programs, Municipal Court, Community Development, Public Improvements, Water and Wastewater Services and General Administrative Services.

A. Reporting Entity

The Mayor and Council are elected by the public and they have the authority to make decisions, appoint administrators and managers, and significantly influence operations. They also have the primary accountability for fiscal matters. Therefore, the City is a primary government as defined by the Governmental Accounting Standards Board ("GASB"). The accompanying financial statements comply with the provisions of GASB Statement No. 14 and 61. There are component units which satisfy requirements for blending within the City's financial statements.

As required by generally accepted accounting principles in the United States of America (GAAP), these basic financial statements present the City and its component units, entities for which the City is considered financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Blended component units -- The City created Tax Increment Reinvestment Zone No. One (TIRZ #1), created in 2004 to expire in 31 years on a 475-acre underdeveloped contiguous area with the city limits was to facilitate a program of (1) public water distribution, wastewater collection and storm drainage facilities, (2) adequate roadway systems for mobility access and orderly development, and (3) to improve conditions that substantially impair and arrest the sound growth of the City. Although TIRZ #1 is a legally separate entity, it is, in substance, part of the City's operation for which the City is considered financially accountable. City management has operational responsibility for TIRZ #1, and the governing bodies of the two entities are substantively the same. Accordingly, TIRZ #1 is reported as a debt service fund in the City's financial statements.

The City of Kyle established Tax Increment Reinvestment Zone #2 in 2018 for 20 years on a 1,480-acre underdeveloped contiguous area within the city limits for the purpose of providing public improvements including (1) public water distribution, wastewater collection, and storm drainage facilities, (2) adequate roadway systems for mobility access, lighting, and economic development, and (3) parks, plazas, and other public spaces for public gatherings, community events, and community celebrations. The City of Kyle and Hays County are limited by the creation Ordinance to contribute only 50.0 percent of incremental property tax revenues assessed and collected within the boundaries of TIRZ #2. Although the TIRZ #2 is a legally separate entity, it is, in substance, part of the City's operations for which the City is considered financially accountable. City management has operational responsibility for TIRZ #2, and the governing bodies of the two entities are substantively the same. Accordingly, TIRZ #2 is reported as a special revenue fund in the City's financial statements.

In accordance with the provisions of GASB Statement No. 84, Fiduciary Activities, the City determined that reporting a statement of fiduciary net position and a statement of changes in fiduciary net position in the fiduciary fund financial statements of the basic financial statements would be appropriate for the Other Employee Benefit Trust Fund.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

A. Reporting Entity (Cont'd)

Future GASB Statement Implementations

GASB Statement No. 101, *Compensated Absences*, This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position reflects both short-term and long-term assets and liabilities, as well as deferred inflows and outflows. In the Government-wide Statement of Net Position, governmental activities are reported separately from business-type activities. Long term assets, such as capital assets, long-term obligations, such as debt, and any deferred inflows and outflows, are reported in the statement of net position. The components of Net Position are presented in three separate categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Interfund receivables and payables within governmental and business-type activities have been eliminated in the government-wide Statement of Net Position, which minimizes the duplication within the governmental and business-type activities. The net amount of interfund transfers or interfund receivables/payables between governmental, proprietary and fiduciary funds is the balance reported in the Statement of Net Position.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Government-wide and Fund Financial Statements (Cont'd)

The Statement of Activities demonstrates how a given function or segment that participate in programs the City operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the City. The "grants and contributions" columns include amounts paid by organizations outside the City to help meet the operational or capital requirements of a given function. If a revenue including contributions is not a program revenue, it is a general revenue used to support all of the City's functions. Taxes are always general revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

The fund financial statements provide information on the financial position and the change in fund balance/net position for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for City operations, they are not included in the government-wide statements. The City considers some governmental and enterprise funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due froms on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental and fiduciary funds and between proprietary funds and fiduciary funds remain as due to/due froms on the government-wide Statement of Net Position.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e. revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period they are both measurable and available. Revenues, other than grants, are considered to be available by the City when they are available and expected to be collected within the current budgetary periods or within 60 days thereafter, to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, regardless of the related cash flows. However, debt service expenditures, as well as expenditures related to compensated absences, pensions and claims and judgments, are recorded only when the liability is matured.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Revenues from local sources consist primarily of property taxes and sales taxes. Property, sales and other tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The City's availability period is no more than 60 days beyond the end of the fiscal year. Revenues from state and federal grants are recorded as revenue when they are expected to be collected within the current budgetary period, or within 60 days thereafter, and all eligibility requirements have been met. Investment earnings are recorded as earned, since they are both measurable and available.

The Proprietary Funds and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred, regardless of the timing of the related cash flow. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into investment in capital assets, restricted, and unrestricted net position.

D. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and other debits, liabilities, fund balances and other credits, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the proceeds of revenue sources, those proceeds' restrictions or commitments for which they are to be spent and the means by which spending activities are controlled. The City has three types of funds: governmental, proprietary, and fiduciary. The fund financial statements provide more detailed information about the City's most significant funds, but not on the City as a whole. Major governmental and enterprise funds are reported separately in the fund financial statements. Nonmajor funds are aggregated in the fund financial statements and independently presented in the combining statements. The criteria used to determine if a governmental or enterprise fund should be reported as a major fund are as follows: the total assets and deferred outflows of resources, the total liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10.0% of the corresponding element total for all funds of that category or type (that is, total governmental or total enterprise funds), and the same element that met the 10.0% criterion above in the governmental or enterprise fund is at least 5.0% of the corresponding element total for all governmental and enterprise funds combined.

The following is a brief description of the major governmental funds that are separately presented in the fund financial statements.

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

The Debt Service Fund - is used to account for debt service on bonded obligations of the City.

The General Government Grants Funds – is used to account for all Federal and State grants received by the City.

The Capital Projects Fund - is used to pay for professional services to plan, design, the acquisition for rights-of-way and the construction and improvement of the following City Streets: Windy Hill Rd, Bebee Rd, Marketplace, Kyle Pkwy, Bunton Crk Rd, Kohlers, Old Stagecoach Rd by issuance of 2022 General Obligation.

The City reports the following major enterprise funds:

The Water Fund - is used to account for the activities necessary for the provision of water services.

The Wastewater Fund – is used to account for the activities necessary for the provision of wastewater services.

The Storm Drainage Fund – is used to for the activities necessary for the provision of drainage improvement services and flood mitigation activities including capital improvements.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Fund Accounting

In addition, the City reports the following nonmajor fund types:

Governmental Funds:

Capital Projects Funds – are used to account for non major capital project funds and include the Park Development Fund, Road Improvements and the Transportation Fund.

Special Revenue Funds - are used to account for funds restricted to, or designated for, special purposes by the City or a grantor.

Fiduciary Funds - are used to account for resources held for others in a custodial capacity. The City's Trust fund is the Other Post Employment Benefits Fund (Retiree Health Insurance). The other post-employment benefit trust fund is used to account for the accumulation of resources for post-employment benefits to qualified plan participants.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance

Cash and Cash Equivalents - Investments

For purpose of presenting the proprietary fund cash flow statement, cash and cash equivalents include cash, demand and time deposits and investments with a maturity date within three months of the date acquired by the City.

The City's investment practices are governed by state statutes and by the City's own investment policy. City cash is required to be deposited in Federal Insurance Corporations (FDIC) insured banks. A pooled cash strategy is utilized which enabled the City to have one central depository.

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; (5) certificates of deposit issued by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor or, (b) secured by obligations that are described by (1); (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with a third-party selected or approved by the City, and placed through a primary government securities dealer. Investments maturing within one year of date of purchase are stated at amortized cost. The City's policy is to report local government investment pools, and Securities and Exchange Commission ("SEC") registered money market mutual funds at fair value using net asset value (NAV) or amortized cost if the pool meets the requirements of GASB Statement No. 79. The City carries investments in debt securities with maturities in excess of one year at fair value using other observable significant inputs including but not limited to quoted prices for similar securities, interest rates, and fixed income security pricing models. The City carries investments in debt securities with original maturities of one year or less at the date of purchase at amortized cost.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended are separately reported as other financing sources/uses in the respective funds' operating statements.

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance (Cont'd)

Restricted Assets

Certain assets of the Enterprise Funds and the Governmental Funds are classified as restricted assets because their use is restricted for capital improvements or debt service via externally imposed by bond ordinance or laws of other governments.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Construction in progress will be reclassified into its respective asset category upon completion and the asset is placed in service.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25 to 40
Waterworks and wastewater systems	10 to 50
Infrastructure	20 to 33
Machinery and equipment	5 to 10
Right to use assets	3 to 5

Compensated Absences

The City permits employees to accumulate earned but unused vacation pay benefits. Certain employees have carried forward unused sick leave benefits. Unused sick leave shall be not paid upon termination of employment, except as specifically provided as follows:

1. An employee that terminates employment for any reason other than death, or being granted a retirement or disability allowance by the Texas Municipal Retirement System (TMRS) or the Social Security Administration (SSA), shall not be paid for unused sick leave.
2. An employee having at least 10 years of service with the City who is granted a retirement or a disability allowance by TMRS or SSA, or who dies, is entitled to a partial payment for up to 480 hours of unused sick leave accrued to such employee. The partial payment to the employee or the employee's beneficiary shall be as follows: (A) an amount equal to thirty percent (30%) of the value of such accrued, unused sick leave will be paid for 10 years of service; and (B) the amount to be paid for such unused sick leave shall increase by 2% for each year of service as an employee of the City, if any, in excess of 10 years.
3. An employee covered under the agreement between the City and the Kyle Police Association may be paid for their unused sick leave, in accordance with the agreement.

No liability is reported for unpaid accumulated sick leave for the remaining employees. Vacation pay and certain sick leave benefits are accrued when incurred in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance (Cont'd)

Leases

The City follows GASB Statement No. 87 Leases which defines the City's leasing arrangement as the right to use an underlying asset as a Lessor or Lessee.

As lessee, the City recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. The right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The City calculates the amortization of the discount on the lease liability and report that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability.

As a lessee or lessor, the City does not consider variable lease payments in the lease liability and lease receivable calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

For lease contracts that are short-term, the City recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

As of October 1, 2022, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA's). The objectives of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for SBITAs by governments. The statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were classified as operating agreements. It establishes a single model for SBITA accounting based on the foundational principle that SBITAs are financings of the right-to-use an underlying asset. A government is required to recognize a SBITA liability and an intangible right-to-use asset. The City does not have any SBITAs under the new accounting principle.

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as 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 are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures in the period incurred.

Fund Balance

The City classifies governmental fund balances in the governmental fund financial statements as follows:

Non-spendable - The non-spendable category includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – The restricted fund balance includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance (Cont'd)

Committed – The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for other purposes unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – Amounts in the assigned fund balance are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund assigned amounts represent intended uses established by City Council or City Manager, and Department Directors. The City Manager, and Department Directors are authorized to assign individual amounts up to \$15,000 and City Council is authorized to assign amounts over \$15,000.

Unassigned – The unassigned fund balance includes positive fund balances within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

At September 30, 2023, the City has the following fund balance classifications:

	General Fund	Debt Service Fund	Capital Projects Fund	General Government Grants	Nonmajor Governmental Fund	Total
Fund Balance						
Non-Spendable Prepays	\$ 6,776	\$ -	\$ -	\$ -	\$ -	\$ 6,776
Restricted:						
Capital Projects	-	-	56,811,761	-	-	56,811,761
Debt Service	-	638,892	-	-	-	638,892
General Government Grants	-	-	-	128,248	-	128,248
Road Improvement - Capital Projects	-	-	-	-	1,757,560	1,757,560
Tourism and Other	-	-	-	-	12,125,783	12,125,783
	<u>\$ 6,776</u>	<u>\$ 638,892</u>	<u>\$ 56,811,761</u>	<u>\$ 128,248</u>	<u>\$ 13,883,343</u>	<u>\$ 71,469,020</u>
Assigned:						
Capital Projects	-	-	24,735,075	-	8,024,020	32,759,095
Unassigned:						
Unassigned	34,411,642	-	-	-	(6,200)	34,405,442
	<u>\$ 34,418,418</u>	<u>\$ 638,892</u>	<u>\$ 81,546,836</u>	<u>\$ 128,248</u>	<u>\$ 21,901,163</u>	<u>\$ 138,633,557</u>

The City requires restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made. For the Net Position, the City also requires restricted amounts be spent first when both restricted and unrestricted fund balances is available unless the restriction prohibits doing this.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance (Cont'd)

The City Charter has a formal minimum general fund balance policy that requires a reserve of at least equal to 25% of operating budget.

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governmental units.

Pension

For the purposes of measuring the net pension liability, deferred inflows/outflows of resources and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to, or 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.

Other Postemployment Benefits

The Net OPEB liability has been determined based on the flow of economic resources measurement focus and full accrual basis of accounting. This includes measuring the Net OPEB liability: deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about benefit payments are recognized in the total liability calculation when due and payable in accordance with the benefit terms. The OPEB Trust and the investments which are reported at fair value, are reflected in the Statement of Fiduciary Net Position.

Deferred Outflows and Inflows of Resources – The City has classified as deferred outflows of resources certain items that represent a consumption of net assets that applies to a future period and, therefore, will not be recognized as an expense until then. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

The City has classified all of the difference between the reacquisition price and the net carrying amount of the defeased debt as a deferred outflow of resources. The deferred outflow of resources is amortized over the term of the defeased bonds and recognized as a component of interest expense annually. The City has also deferred certain pension and OPEB related items in accordance with applicable pension standards as noted under Note V.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the US requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from those estimates.

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government Statement of Net Position

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the end of the year were as follows:

	<u>Historic Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value End of Year</u>	<u>Change in Net Position</u>
<u>Capital Assets - End of Year</u>				
Non-Depreciable Assets	\$ 61,646,478	\$ -	\$ 61,646,478	
Depreciable Assets	<u>258,018,760</u>	<u>80,542,151</u>	<u>177,476,609</u>	
Change in Net Position	<u>\$ 319,665,238</u>	<u>\$ 80,542,151</u>	<u>\$ 239,123,087</u>	239,123,087
 <u>Long-term Debt - End of Year</u>				
Bonds/Leases Payable			<u>\$ 133,915,065</u>	
Change in Net Position			<u>\$ 133,915,065</u>	<u>(133,915,065)</u>
Net Adjustment to Net Position				<u>\$ 105,208,022</u>

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details for this element are as follows:

	<u>Adjustment to Change in Net Position</u>
Other	\$ -
Amortization of Bond Premiums	596,836
General Fund Contributed Capital	13,200,504
Compensated Absences	(690,366)
Pension Expense	(193,851)
OPEB Expense	445,483
Deferred Inflows – Property Tax	122,295
Interest Accrual	(998,114)
Deferred Charged for Refunding	(152,373)
2023 GO Bond Proceeds	(41,575,000)
2023 GO Bond Premium	(5,960,458)
2023 TIRZ Bonds Proceeds	(8,265,000)
2023 TIRZ Bonds Premium	(128,627)
Right-to-Use Asset	<u>(11,721)</u>
	<u>\$ (43,610,392)</u>

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

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The Council adopts an "appropriated budget" for the General Fund. The City is required to present the adopted and final amended budgeted revenues and expenditures for this fund. The City compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Sixty days prior to October 1st, the City prepares a budget for the next succeeding fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to the third Tuesday of September, the budget is legally enacted through passage of a resolution by the Council. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Council. Amendments are presented to the council at its regular meetings. Each amendment must have Council approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Council, and are not made after fiscal year end. Because the City has a policy of careful budgetary control, several amendments were necessary during the year.
4. The legal level of budgetary control is at the function level. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Council. All budget appropriations lapse at year end. Amounts encumbered prior to year-end will lapse 3 months after year end.

Formal budgetary accounting is employed for all funds of the City, excluding – Hockey Rink Donations Fund, TIRZ #3 Fund, TIRZ #4 Fund, Blanco River Ranch PID Fund, SW Kyle PID #1, Plum Creek North PID Fund, Toll Bros PID Fund, Hillside Terrace PID Fund, and Limestone Creek PID Fund.

Annual operating budgets are prepared and presented for the general fund, debt service fund, and all other special revenue funds. All annual appropriations lapse at fiscal year-end.

The TIRZ #4 fund, Blanco River Ranch PID, SW Kyle PID #1, and Toll Bros PID have deficit fund balances in the amounts of \$892, \$2,574, \$1,057, and \$1,677 respectively. These deficits will be eliminated over time as revenues are received from Developers.

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2023, the City had the following Pooled cash, cash and cash equivalents and investments:

	Pooled Cash and Investments	
	Unrestricted	Restricted
General Fund	\$ 31,224,878	\$ -
Debt Service	-	707,123
Capital Projects	25,356,373	58,313,305
General Government Grants	12,145,289	-
Nonmajor Governmental Funds	10,185,616	12,099,043
Water Fund	17,292,655	26,062,616
Wastewater Fund	9,929,112	25,068,693
Storm Drainage Fund	4,694,696	-
OPEB Trust	-	1,985,770
	\$ 110,828,619	\$ 124,236,550
 Total pooled cash, cash equivalents and investments	 \$ 235,065,169	
 Total Investments		
TexPool	\$ 62,815,283	
TexSTAR	152,580,512	
Money Market Fund	1,638,020	
Federal Home Loan Bank	3,985,673	
Royal BK of Canada Commercial Paper	4,943,490	
JP Morgan Commercial Paper	2,923,262	
United States Treasury Note	4,923,438	
Bank Deposits	3,736,064	
OPEB Trust	1,985,770	
	\$ 239,531,511	
Less:		
Deposits in Transits and Checks Outstanding	(4,466,342)	
Total pooled cash, and investments	\$ 235,065,169	

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

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

A. Deposits and Investments (Cont'd)

Texas Local Government Investment Pool

Texas Local Government Investment Pool (“TexPool”) 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, Texas Government Code, Chapter 2256. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, TexPool is rated AAAM by Standard & Poor’s and had a weighted average maturity of 24 days as of September 30, 2023.

TexPool meets the requirements of GASB Statement No. 79, and as such, measures and reports its investments at amortized cost. The City carries its investment in TexPool at amortized cost.

TexSTAR Investment Pool

TexSTAR is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. The pool was created through a contract among its participating governmental units, and is governed by a board of directors to provide for the joint investment of participants’ public funds and funds under their control. TexSTAR is managed by J.P. Morgan Investment Management, Inc., an affiliate of JP Morgan Chase Bank, N.A. a national banking association, and First Southwest Asset Management, Inc., an affiliate of Texas based First Southwest Company. TexSTAR’s investment manager will maintain the dollar-weighted average maturity of sixty (60) days or less, and the maximum stated maturity for any obligation of the United States, its agencies, or instrumentalities is limited to 397 days for fixed rate securities and 24 months for variable rate notes. TexSTAR is rated AAAM by Standard and Poor’s and had a weighted average maturity of 38 days at September 30, 2023.

TexSTAR does meet the requirements of GASB Statement No. 79, and as such, has elected to measure and report its investments at fair value. The City carries its investment in TexSTAR at fair value measured using published NAV, which is based on fair values of the underlying investments.

The City utilizes various methods to measure the fair value of investments on a recurring basis. GASB Statement No. 72, Fair Value Measurement and Application, establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities that the City has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted prices for the identical instrument in an inactive market, and other significant inputs based on third party fixed-income pricing models.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the City’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

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

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

A. Deposits and Investments (Cont'd)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

As of September 30, 2023, the City's investment of \$20,511,926 in agency securities, commercial paper and municipal bonds are measured at amortized cost, as the original maturity of the security at the date of purchase was less than one year. Also, the City's investment in TexPool \$62,812,283 is carried at amortized cost. Accordingly, the City is not required to disclose these investments within the GASB Statement No. 72 hierarchy for investments.

As of September 30, 2023, the City's investment of \$152,580,512 in TexSTAR is carried at fair value using published NAV which is based on fair value of the underlying investments.

The City's investment in the Wells Fargo Government Money Market Fund of \$1,638,020 is carried at fair value using published NAV of the fund. The City's investment in this fund is classified in level 1. This fund invests in fixed income securities seeking current income while preserving capital and liquidity. The City's OPEB Trust fund investment of \$1,985,770 are in mutual funds and are carried at fair value using published NAV. The City's OPEB Trust investments are classified in level 1.

Interest Rate Risk: Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to a maximum of 180 days. At September 30, 2023 the City holds \$20,511,926 of agency securities, commercial paper and municipal bonds, with a weighted average maturity of its investment portfolio of 198 days.

Custodial Credit Risk: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2023, any deposit balance exceeding the \$250,000 covered by FDIC insurance was collateralized with securities held by the pledging financial institution in the City's name. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside third party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the City and are held by the counterparty, its trust or agent, but not in the City's name. The City's investment securities are not exposed to custodial risk because all securities held by the City's custodial banks are in the City's name.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the City. It is the City's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The City's investment pools and money market fund were rated AAAM by Standard & Poor's Investors Service and fixed income securities were rated AA+. The City's trust fund investments are not rated.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy requires the investment portfolio be diversified in terms of investment instruments, maturities and financial institutions to reduce the risk of loss resulting from overconcentration of assets in a specific maturity or specific issuer. As of September 30, 2023, the City had no investments exposed to concentration of credit risk.

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

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

B. Receivables

Receivable as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	Governmental Funds								Total
	General	Debt Service	Capital Projects	General Gov't Grants	Other	Water	Wastewater	Storm Drainage	
Receivables:									
Accounts:									
Customers	\$ 1,648,561	\$ -	\$ 10,000,000	\$ -	\$ -	\$ 4,552,571	\$ 3,210,231	\$ 448,097	\$ 19,859,460
Court Warrants Receivable	2,294,014	-	-	-	-	-	-	-	2,294,014
Developers	8,397	-	-	-	-	-	-	-	8,397
Property Tax	226,118	165,877	-	-	-	-	-	-	391,995
Sales Tax	3,025,496	-	-	-	-	-	-	-	3,025,496
Franchise/Access	697,751	-	-	-	-	-	-	-	697,751
Other	701,378	-	-	900	153,200	-	-	-	855,478
Gross Receivables	\$ 8,601,714	\$ 165,877	\$ 10,000,000	\$ 900	\$ 153,200	\$ 4,552,571	\$ 3,210,231	\$ 448,097	\$ 27,132,589
Less: Allowance for Uncollectibles	(2,488,008)	-	-	-	-	(852,361)	(607,461)	(80,674)	(4,028,504)
Net Receivables	\$ 6,113,706	\$ 165,877	\$ 10,000,000	\$ 900	\$ 153,200	\$ 3,700,210	\$ 2,602,770	\$ 367,423	\$ 23,104,087

C. Property Taxes

In accordance with Texas statutes, the City approves a tax rate and an order to levy property taxes in October of each year. Property taxes are billed by the county tax assessor collector as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are payable on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of the year following the City's order to levy taxes (the assessment date), a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The assessment date represents the date on which an enforceable legal claim arises and attaches as a lien on the assessed property. In the government-wide financial statements, property tax revenue is recognized as earned, net of an allowance for uncollectible taxes. In the Governmental Fund financial statements, property tax revenues are considered available when they become due and receivable within the current period.

The appraisal of property within the City is the responsibility of the Hays County Appraisal District. The Appraisal District is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed at least every five years. The City may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on property within the city limits. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations and adjusted for new improvements, exceeds the rate for the previous year by more than 8 percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the tax rate of the previous year.

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

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

D. Capital Assets

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

<u>Governmental Activities:</u>	<u>Balance 10/1/2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Adjustments</u>	<u>Balance 9/30/2023</u>
Capital assets not being depreciated:						
Land	\$ 5,159,762	\$ 883,372	\$ -	\$ -	\$ -	\$ 6,043,135
Construction in progress	53,973,647	27,398,917	(768,227)	(25,175,493)	174,500	55,603,343
Total capital assets not being depreciated	<u>\$ 59,133,409</u>	<u>\$ 28,282,289</u>	<u>\$ (768,227)</u>	<u>\$ (25,175,493)</u>	<u>\$ 174,500</u>	<u>\$ 61,646,478</u>
Capital assets being depreciated:						
Buildings	\$ 18,622,136	\$ 62,602	\$ -	\$ 80,755	\$ 88,093	\$ 18,853,586
Improvements other than buildings	5,523,866	48,632	-	403,673	-	5,976,171
Infrastructure	181,463,264	15,741,130	-	24,691,065	(5,132)	221,890,327
Machinery and equipment	8,854,528	905,913	(590,334)	-	-	9,170,106
Right-to-Use Assets	1,371,136	757,434	-	-	-	2,128,570
Total capital assets being depreciated	<u>\$ 215,834,930</u>	<u>\$ 17,515,710</u>	<u>\$ (590,334)</u>	<u>\$ 25,175,493</u>	<u>\$ 82,961</u>	<u>\$ 258,018,760</u>
Accumulated depreciation:						
Buildings	\$ (6,123,316)	\$ (555,016)	\$ -	\$ -	\$ -	\$ (6,678,331)
Improvements other than buildings	(3,679,348)	(261,321)	-	-	-	(3,940,668)
Infrastructure	(57,760,719)	(6,254,412)	-	-	-	(64,015,131)
Machinery and equipment	(4,942,172)	(485,478)	590,334	-	-	(4,837,316)
Right-to-Use Assets	(483,516)	(587,189)	-	-	-	(1,070,705)
Total accumulated depreciation	<u>\$ (72,989,070)</u>	<u>\$ (8,143,415)</u>	<u>\$ 590,334</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (80,542,151)</u>
Total capital assets being depreciated (net)	<u>\$ 142,845,860</u>	<u>\$ 9,372,295</u>	<u>\$ -</u>	<u>\$ 25,175,493</u>	<u>\$ 82,961</u>	<u>\$ 177,476,609</u>
Governmental activities capital assets (net)	<u>\$ 201,979,269</u>	<u>\$ 37,654,584</u>	<u>\$ (768,227)</u>	<u>\$ -</u>	<u>\$ 257,461</u>	<u>\$ 239,123,087</u>

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

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

D. Capital Assets (Cont'd)

<u>Business Type Activities:</u>	<u>Balance 10/1/2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Adjustments</u>	<u>Balance 9/30/2023</u>
Capital assets not being depreciated:						
Land	\$ 691,935	\$ -	\$ -	\$ -	\$ -	\$ 691,935
Construction in progress	60,506,075	12,194,862	(296,645)	(6,733,938)	-	65,670,355
Total capital assets not being depreciated	<u>\$ 61,198,010</u>	<u>\$ 12,194,862</u>	<u>\$ (296,645)</u>	<u>\$ (6,733,938)</u>	<u>\$ -</u>	<u>\$ 66,362,290</u>
Capital assets being depreciated:						
Buildings	\$ 3,139,171	\$ -	\$ -	\$ -	\$ -	\$ 3,139,171
Improvements other than buildings	164,130,105	47,504,776	-	6,733,938	-	218,368,819
Machinery and equipment	4,380,021	328,396	(197,405)	-	-	4,511,012
Right-to-Use Assets	550,151	256,668	(56,095)	-	-	750,724
Total capital assets being depreciated	<u>\$ 172,199,448</u>	<u>\$ 48,089,839</u>	<u>\$ (253,500)</u>	<u>\$ 6,733,938</u>	<u>\$ -</u>	<u>\$ 226,769,726</u>
Accumulated depreciation:						
Buildings	\$ (439,518)	\$ (64,305)	\$ -	\$ -	\$ -	\$ (503,822)
Improvements other than buildings	(37,558,087)	(5,310,201)	-	-	-	(42,868,287)
Machinery and equipment	(2,592,381)	(272,800)	197,405	-	-	(2,667,776)
Right-to-Use Assets	(194,005)	(203,403)	19,782	-	-	(377,626)
Total accumulated depreciation	<u>\$ (40,783,990)</u>	<u>\$ (5,850,708)</u>	<u>\$ 217,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,417,512)</u>
Total capital assets being depreciated (net)	<u>\$ 131,415,458</u>	<u>\$ 42,239,131</u>	<u>\$ (36,313)</u>	<u>\$ 6,733,938</u>	<u>\$ -</u>	<u>\$ 180,352,214</u>
Business type activities capital assets (net)	<u>\$ 192,613,468</u>	<u>\$ 54,433,994</u>	<u>\$ (332,958)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,714,503</u>

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

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

D. Capital Assets (Cont'd)

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

Governmental Activities:	
General Government	\$ 437,809
Public Safety	75,651
Public Works	6,406,696
Culture and Recreation	<u>636,070</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 7,556,226</u></u>
Business Type Activities:	
Water	\$ 1,955,150
Wastewater	2,681,396
Storm Drainage	<u>1,010,759</u>
Total Depreciation Expense - Business Type Activities	<u><u>\$ 5,647,305</u></u>

E. Interfund Receivables, Payables and Transfers

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

Due to	Due from				Total
	General Fund	Water	Wastewater	Storm Drainage	
General Fund	\$ -	\$ 510,704	\$ -	\$ -	\$ 510,704
Water	178	22,978	32,491	(1,003)	54,643
Wastewater	-	1,219,848	-	-	1,219,848
Storm Drainage	-	3,060	-	-	3,060
Total	\$ 178	\$ 1,756,590	\$ 32,491	\$ (1,003)	\$ 1,788,255

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenses occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund and intrafund transfers during the year ended September 30, 2023, are as follows:

Transfers In	Transfers out							Total
	General Fund	Debt Service	Capital Projects	Other Funds	Water Fund	Wastewater Fund	Storm Drainage	
General Fund	\$ -	\$ -	\$ 677,002	\$ 758,167	\$ 650,000	\$ 650,000	\$ -	\$ 2,735,169
Debt Service Fund	971,700	523,900	5,353	-	257,982	40,332	-	1,799,267
Capital Projects	13,021,154	-	-	-	-	-	-	13,021,154
Grant Funds	52,379	-	-	-	-	-	-	52,379
Other Funds	857,314	426,135	-	-	-	-	-	1,283,449
Water Fund	-	-	-	-	-	-	-	-
Wastewater Fund	-	-	-	-	-	-	-	-
Storm Drainage Fund	-	-	-	-	-	-	-	-
Total	\$ 14,902,547	\$ 950,035	\$ 682,355	\$ 758,167	\$ 907,982	\$ 690,332	\$ -	\$ 18,891,418

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts.

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

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

F. Long-term Liabilities

Debt Service Fund as debt service payments become due, and 3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2023, was as follows:

	Balance 10/1/2022	Additions	Reduction	Balance 9/30/2023	Due Within One Year
<u>Governmental Activities:</u>					
Bonded Indebtedness	\$ 93,920,000	\$ 49,840,000	\$ 10,980,000	\$ 132,780,000	\$ 8,395,000
Premium on Bond Issuance	4,489,293	6,089,085	596,835	9,981,543	-
Lease Payable	953,099	742,431	560,465	1,135,065	476,442
Net Pension Liability	1,707,420	6,549,890	2,662,684	5,594,626	-
Compensated Absences	1,971,923	1,531,727	841,362	2,662,288	665,572
Total Governmental Activities	<u>\$ 103,041,735</u>	<u>\$ 64,753,133</u>	<u>\$ 15,641,346</u>	<u>\$ 152,153,522</u>	<u>\$ 9,537,014</u>
	Balance 10/1/2022	Additions	Reduction	Balance 9/30/2023	Due Within One Year
<u>Business Type Activities:</u>					
Bonded Indebtedness	\$ 27,485,000	\$ -	\$ 520,000	\$ 26,965,000	\$ 535,000
Premium on Bond Issuance	5,324,496	-	100,736	5,223,760	-
Lease Payable	382,420	254,569	236,663	400,326	168,036
Net Pension Liability	569,142	2,183,297	887,561	1,864,878	-
Compensated Absences	428,267	417,307	173,151	672,423	168,106
Total Business Type Activities	<u>\$ 34,189,325</u>	<u>\$ 2,855,173</u>	<u>\$ 1,918,111</u>	<u>\$ 35,126,387</u>	<u>\$ 871,142</u>

The General Fund is responsible for liquidating liabilities for other post employment benefits and pensions in the governmental activities. Compensated absences are based on actual cost incurred by the General Fund and the Proprietary Funds.

Bonded Indebtedness

The City has issued general obligation bonds whereby the proceeds were used to purchase capital assets reported in the Water and Wastewater Funds. All general obligation debt is expected to be serviced by the governmental activities and the Water and Wastewater Funds are not expected to service the general obligation debt. Accordingly, all the City's general obligation debt is reported in the governmental activities column.

The City issues certificates of obligation and tax notes to provide funds for the acquisition and construction of major capital facilities and equipment and to refund previous issues. Bonded indebtedness of the City is as follows:

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

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

F. Long-term Liabilities (Cont'd)

Bonded Indebtedness (Cont'd)

Governmental Activities:

\$13,720,000 General Obligation Refunding Bonds - Series 2013, principal due annually in series through 2033, interest due semi-annually at 3.0% to 4.0%	\$ 9,210,000
\$5,520,000 General Obligation Bonds - Series 2013, principal due annually in series through 2033, interest due semi-annually at 1.75% to 4.0%	3,385,000
\$7,140,000 General Obligation Refunding Bonds - Series 2014, principal due annually in series through 2028, interest due semi-annually at 4.0%.	6,970,000
\$42,525,000 General Obligation Refunding Bonds - Series 2015, principal due annually in series through 2035, interest due semi-annually at 2.0% to 4.0%.	25,670,000
\$8,520,000 General Obligation Refunding Bonds - Series 2016, principal due annually in series through 2031, interest due semi-annually at 3.0% to 4.0%.	5,100,000
\$4,175,000 General Obligation Refunding Bonds - Series 2020, principal due annually in series through 2030, interest due semi-annually at 3.0% to 4.0%	2,320,000
\$35,570,000 General Obligation Bonds - Series 2022, principal due annually in series through 2042, interest due semi-annually at 4.0% to 5.0%	30,285,000
\$41,575,000 General Obligation Bonds - Series 2023	41,575,000
\$8,265,000 Tax Increment Revenue Bonds, Series 2023 (Kyle TIRZ No.2)	8,265,000
	\$ 132,780,000

Proceeds from the certificates of obligation will be used for the purpose of paying contractual obligations of the City incurred for the (1) design and construction of the wastewater treatment plant and other sewer system infrastructure improvements.

Business-Type Activities

\$28,330,000 Combination Tax and Revenue Certificates of Obligations Bonds - Series 2020, principal due annually in series through 2050, interest due semi-annually at 3.00%.	\$ 26,965,000
	\$ 26,965,000

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

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

F. Long-term Liabilities (Cont'd)

Debt Service Requirements

Annual debt service requirements are as follows:

Governmental Activities:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 8,395,000	\$ 6,943,480	\$ 15,338,480
2025	8,665,000	5,424,216	14,089,216
2026	7,640,000	5,086,316	12,726,316
2027	7,890,000	4,756,816	12,646,816
2028	7,125,000	4,438,966	11,563,966
2029-2033	39,075,000	17,464,225	56,539,225
2034-2038	25,460,000	9,805,713	35,265,713
2039-2043	24,500,000	4,164,113	28,664,113
2044-2048	1,800,000	723,688	2,523,688
2049-2053	2,230,000	301,000	2,531,000
	<u>\$ 132,780,000</u>	<u>\$ 59,108,533</u>	<u>\$ 191,888,533</u>

Business-Type Activities:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 535,000	\$ 1,129,600	\$ 1,664,600
2025	560,000	1,102,850	1,662,850
2026	590,000	1,074,850	1,664,850
2027	620,000	1,045,350	1,665,350
2028	650,000	1,014,350	1,664,350
2029-2033	3,755,000	4,559,400	8,314,400
2034-2038	4,630,000	3,695,000	8,325,000
2039-2043	5,630,000	2,692,200	8,322,200
2044-2048	6,855,000	1,472,200	8,327,200
2049-2050	3,140,000	189,600	3,329,600
	<u>\$ 26,965,000</u>	<u>\$ 17,975,400</u>	<u>\$ 44,940,400</u>

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

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

F. Long-term Liabilities (Cont'd)

Total Primary Government:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 8,930,000	\$ 8,073,080	\$ 17,003,080
2025	9,225,000	6,527,066	15,752,066
2026	8,230,000	6,161,166	14,391,166
2027	8,510,000	5,802,166	14,312,166
2028	7,775,000	5,453,316	13,228,316
2029-2033	42,830,000	22,023,625	64,853,625
2034-2038	30,090,000	13,500,713	43,590,713
2039-2043	30,130,000	6,856,313	36,986,313
2044-2048	8,655,000	2,195,888	10,850,888
2049-2053	5,370,000	490,600	5,860,600
	<u>\$ 159,745,000</u>	<u>\$ 77,083,935</u>	<u>\$ 236,828,935</u>

G. Lease

Enterprise Fleet Management (EFM).

The City of Kyle has entered into a contractual arrangement to lease new vehicles required for its operations including sedans, SUVs, vans, light and heavy duty trucks, police pursuit vehicles, and specialized vehicles such as for animal control and police evidence vehicles. This lease arrangement with EFM does not include heavy equipment such as dump trucks, tanker trucks, backhoes, vactor trucks, and other construction equipment. The City continues to purchase and own its heavy equipment and machinery.

For the fiscal year ended September 30, 2023, the City of Kyle paid a total sum of \$820,969 in monthly lease payments to EFM.

	Governmental Fund		Water		Wastewater		Drainage		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 476,442	\$ 35,596	\$ 119,333	\$ 8,916	\$ 46,394	\$ 3,466	\$ 2,310	\$ 173	\$ 644,478	\$ 48,150
2025	305,191	20,081	76,440	5,030	29,718	1,955	1,479	97	412,828	27,163
2026	180,667	10,673	45,251	2,673	17,593	1,039	876	52	244,387	14,438
2027	114,008	4,466	28,555	1,119	11,102	435	553	22	154,217	6,042
2028	57,732	1,133	14,460	284	5,622	110	280	5	78,094	1,533
2029	1,024	3	256	1	100	0	5	0	1,385	5
	<u>\$ 1,135,064</u>	<u>\$ 71,953</u>	<u>\$ 284,295</u>	<u>\$ 18,022</u>	<u>\$ 110,528</u>	<u>\$ 7,006</u>	<u>\$ 5,502</u>	<u>\$ 349</u>	<u>\$ 1,535,389</u>	<u>\$ 97,330</u>

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

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

G. Lease (Cont'd)

Lease Requirements

Based on the executed lease agreement, the total lease assets and related amortization by fund is listed on the Statement of Net Position and is as follows:

<u>Governmental Activities</u>	Balance			Balance
	10/1/2022	Additions	Deductions	9/30/2023
Lease Assets				
Fleet Vehicles	\$ 1,371,136	\$ 757,434	\$ -	\$ 2,128,570
Accumulated Amortizations	(483,516)	(587,189)	-	(1,070,705)
Net Lease Assets	\$ 887,620	\$ 170,245	\$ -	\$ 1,057,865
<u>Business-Type Activities</u>	Balance			Balance
	10/1/2022	Additions	Deductions	9/30/2023
Lease Assets				
Fleet Vehicles				
Water	\$ 395,354	\$ 177,386	\$ 39,606	\$ 533,135
Wastewater	154,797	68,964	16,489	207,272
Drainage	-	10,318	-	10,318
Accumulated Amortizations				
Water	(139,418)	(142,725)	13,967	(268,176)
Wastewater	(54,587)	(55,488)	5,815	(104,259)
Drainage	-	(5,190)	-	(5,190)
Net Lease Assets				
Water	\$ 255,936	\$ 34,662	\$ 25,639	\$ 264,959
Wastewater	\$ 100,210	\$ 13,476	\$ 10,674	\$ 103,012
Drainage	\$ -	\$ 5,128	\$ -	\$ 5,128
Total Business-Type Activities	\$ 356,146	\$ 53,266	\$ 36,313	\$ 373,099

The City did not report outflows as of September 30, 2023, attributable to variable payments, residual value guarantees, impairment losses or termination or penalties payments not previously included in the measurement of the lease liability.

As of September 30, 2023, the City has no commitments under the leases before the commencement of the lease term.

As of September 30, 2023, the principal and interest requirements to maturity for the lease liability total \$1,135,065 and \$400,324, respectively.

H. Contingent Arbitrage Liabilities

The City has invested a portion of GO bond proceeds as a reserve for the retirement of the bonds. Any excess of interest revenue earned on invested proceeds over interest paid on the bonds must be rebated to the federal government every five years. The City has no arbitrage liability as of September 30, 2023.

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

V. 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; injuries to employees; employee health benefits; and other claims of various natures. The City participates in the Texas Municipal League Intergovernmental Risk Pool. As an insured, the City is not obligated to reimburse the pool for losses. The City has not had any significant reductions in insurance coverage, nor have insurance settlements for the last three fiscal years exceeded insurance coverage. Any losses reported, but unsettled or incurred and not reported, are believed to be insignificant to the City's financial statements.

B. Commitments and Contingencies

The City is a defendant in lawsuits occurring in the normal course of business. Although the outcome of these matters is not presently determinable, in the opinion of the City's attorney, their resolution will not have a material adverse effect on the financial condition of the City. Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City executed Water Supply Contracts with Guadalupe Blanco River Authority (GBRA) and a Regional Water Supply Contract with the Alliance Regional Water Authority (formerly Hays Caldwell Public Utility Agency "the Agency").

Under the raw water supply agreement with GBRA, the City agreed to pay on a take or pay basis for the appropriate share of debt service, debt service coverage and fixed Operation and Maintenance Expenses as defined in the agreement. Rates charged to the City for the treatment and delivery of treated water are determined pursuant to the terms of the Regional Agreement, plus GBRA's costs associated with any facilities required to convey the treated water. The City is also required under the agreement to pay on a take or pay basis as defined in the agreement for the treated water. For the period ending September 30, 2023, the City paid \$3,465,509 under the water supply agreement.

The Alliance Regional Water Authority (Agency) and Sponsoring Public Entities which includes the cities of Buda, Kyle and San Marcos and the Canyon Regional Water Authority have entered into a Regional Water Supply Contract dated January 15, 2008 as amended by amendment No. 1. The Agency agreed to design, finance, construct, own, acquire, maintain and operate the Project in a manner that will allow the Agency to deliver water to the Sponsoring Public Entities which includes the City. The City agreed to pay its share (28.17%) of the Project Costs and to make payments to or on behalf of the Agency in amount sufficient to meet all of the Agency's obligations under the Contract including its share of the Project Costs to allow the Agency own, operate and maintain the Project. For the period ending September 30, 2023, the City paid \$4,114,577 under the water supply contract.

C. Benefit Plans

The City participates as one of 892 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code.

TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.tmrs.com. All eligible employees of the City are required to participate in TMRS.

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Retirement Plan

Plan Description

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

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by TMRS. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS website at www.TMRS.com.

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The City has adopted annuity increases at a rate equal to 70% of the increase in the Consumer Price Index – all Urban Consumers (CPI-U) between the December preceding the member's retirement date and the December one year before the effective date of the increase, minus any previously granted increases.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. The Plan also provide death benefits and disability benefits. Effective January 1, 2002, members are vested after 5 years, unless the City opted to maintain 10-year vesting which it did until 2015. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	47
Inactive employees entitled to but not yet receiving benefits	175
Active employees	<u>278</u>
Total	500

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Contributions

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance to budget for it, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2015, valuation is effective for rates beginning January 2016).

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.97% for 2023. The City's contributions to TMRS for the year ended September 30, 2023, were \$2,703,099 and the required contributions were \$2,703,099.

Funding Policy

Cities are required to contribute at an actuarially determined rate; these rates are provided to the City on an annual basis, following the completion of the actuarial valuation.

Net Pension Liability

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

Actuarial assumptions:

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary Increases	3.50% to 11.50 including inflation 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, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirement of Texas mortality tables. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements.

For disabled annuitants, the mortality tables for healthy retirees with a 4-year set-forward for both males and 3 years for females. In addition, a 3% minimum mortality rate is applied 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.

Actuarial assumptions used in the December 31, 2022, valuation was based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018. These assumptions were first used in the December 31, 2019 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2022 valuation.

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Long-term expected rate of return:

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.70%
Core Fixed Income	6.00%	4.90%
Non-Core Fixed Income	20.00%	8.70%
Other Public and Private Markets	12.00%	8.10%
Real Estate	12.00%	5.80%
Hedge Funds	5.00%	6.90%
Private Equity	10.00%	11.80%
Total	100.00%	

Discount rate:

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

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Changes in Net Pension Liability / (Asset)

The following table below presents the components used to calculate the NPL for the current reporting period.

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (a) – (b)
Balance at 10/1/2021	\$ 37,326,354	\$ 35,049,792	\$ 2,276,562
Changes for the year:			
Service cost	3,170,371	-	3,170,371
Interest	2,598,914	-	2,598,914
Change of benefit terms	-	-	-
Difference between expected and actual experience	374,555	-	374,555
Changes of assumptions	-	-	-
Contributions - employer	-	2,274,243	(2,274,243)
Contributions - employee	-	1,249,583	(1,249,583)
Net investment income	-	(2,567,206)	2,567,206
Benefit payments, including refunds of employee contributions	(818,223)	(818,223)	-
Administrative expense	-	(22,140)	22,140
Other changes	-	26,417	(26,417)
Net changes	<u>5,325,617</u>	<u>142,674</u>	<u>5,182,943</u>
Balance at 9/30/2022	<u>\$ 42,651,971</u>	<u>\$ 35,192,466</u>	<u>\$ 7,459,505</u>

Sensitivity of the net pension liability to changes in the discount rate:

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

	1 % Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
City's Net Pension Liability/(Asset)	\$ 15,316,337	\$ 7,459,505	\$ 1,210,411

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.org.

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Pension Expense

For the year ended September 30, 2023, the City recognized pension expense of \$2,961,568, comprised as follows:

Total Service Cost	\$ 3,170,371
Interest on the Total Pension Liability	2,598,914
Current-Period Benefit Changes	-
Employee Contributions (Reduction of Expense)	(1,249,583)
Projected Earnings on Plan Investments (Reduction of Expense)	(2,365,861)
Administrative Expense	22,140
Other Changes in Fiduciary Net Position	(26,419)
Recognition of Current Year Outflow (Inflow) of Resources - Liabilities	65,368
Recognition of Current Year Outflow (Inflow) of Resources - Assets	986,614
Amortization of Current Year Outflow (Inflow) of Resources - Liabilities	152,134
Amortization of Current Year Outflow (Inflow) of Resources - Assets	(392,110)
Total Pension Expense	<u>\$ 2,961,568</u>

The funds used to liquidate the net pension obligations have been the general fund and the water/wastewater/storm drainage fund at a rate of 75% and 25% respectively, of the annual required contribution.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 930,491	\$ 90,543
Changes in actuarial assumptions	56,264	-
Difference between projected and actual investment earnings	2,411,267	-
Contributions subsequent to the measurement date	2,008,742	-
Total	<u>\$ 5,406,764</u>	<u>\$ 90,543</u>

The City reported \$2,008,742 as deferred outflows of resources related to pensions resulting from contributions made after the measurement date of the net pension liability but before the end of the fiscal year will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 30:	
2023	\$ 469,126
2024	832,966
2025	788,754
2026	1,168,919
2027	47,714
Thereafter	-
	<u>\$ 3,307,479</u>

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

The City participates in multiple OPEB Plans. The Supplemental Death Benefit Fund is a single employer defined benefit and is part of the Texas Retirement System. The City also has a single employer defined benefit health insurance plan for retirees (Medical Plan). As of September 30, 2023, the following balance related to the OPEB liability:

	Medical Plan
OPEB Liability (Asset)	\$ (1,465,508)
Deferred Outflow of Resources	408,671
Deferred Inflow of Resources	(380,503)
OPEB Expense	(17,672)
	SDBF
OPEB Liability (Asset)	\$ 321,967
Deferred Outflow of Resources	128,861
Deferred Inflow of Resources	(200,178)
OPEB Expense	51,202

Post Retirement Supplemental Death Benefits (SDBF OPEB)

Plan Description: The City participates in a single employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the SDBF. The City elected to provide group-term life insurance coverage to both current and retired employees. 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). Retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB.

Contribution: The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the year ended September 30, 2023 was \$23,339, which equaled the required annual contributions.

TMRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial and supplementary information for the SDBF. That report may be obtained from the TMRS website at www.TMRS.com.

Post Retirement Health Insurance Plan (Health OPEB)

Plan Description: The City maintains a single-employer defined benefit health insurance plan for retirees through the Texas Municipal League Intergovernmental Employee Benefits Pool (TML). The City elected to provide health insurance coverage to certain retired employees. Former full-time employees who have retired after 25 years of service and all full-time employees who have completed 5 years or more of continuous service by April 1, 2009, and who complete a total of 25 years or more of continuous service are entitled to the same group health insurance coverage provided to active employees. This coverage is completely paid by the City. Employees who have completed less than 5 years of continuous service as of April 1, 2009, and who complete 25 years or more of continuous service are entitled to the same group health insurance coverage provided to active employees. The City will pay \$300 (adjusted annually based on the CPI) toward this coverage. The employee is responsible for the balance. Any employee hired after April 1, 2009, is not entitled to group health insurance coverage after retirement. A change in plan provision occurred in the prior year and is fully recognized in the prior year. The change in the plan eliminated all plan benefits after age 65. This plan is an "other postemployment benefit," or OPEB.

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Benefits (Health OPEB)

Employees in Group 1 are classified as participants with 5 or more years of continuous service on April 1, 2009 and 25 or more years of continuous service at retirement have the following benefits:

- Pre- Age 65: Medical, prescription drugs, dental, vision and \$2,000 life insurance – fully paid by the City for the retiree
- Post Age 65: No benefits paid by the City.

Employees in Group 2 are classified as participants having fewer than 5 years of continuous service on 4/1/2009, and 25 or more years of continuous service at retirement.

- \$300 monthly stipend towards medical and prescription drug coverage (both before and after age 65 only). The \$300 amount is CPI indexed (\$374.26 as of 10/1/2020). The retiree pays any additional cost. The retiree pays the full cost of spouse's coverage.

Employees hired after April 1, 2009 are not eligible for benefits under the Plan.

Medical plan provisions

	Network	Non-Network
Calendar Year Deductible	\$250	\$500
Out-of-Pocket Limit	\$2,250 i/ \$4,000 f	None
Coinsurance	85%	55%
Preventive care and annual exam	100%	100%

Contributions: The annual premiums paid from the Trust for the period ending September 30, 2023 were \$0.00.

As of the valuation date October 1, 2023, plan membership consisted of the following:

Active employees	27
Retired	2
Total	29

Benefits: Supplemental Death Benefit Fund- 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 other postemployment benefit ("OPEB") and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

As of the measurement date of December 31, 2022, plan membership consisted of the following:

Inactive employees currently receiving or entitled to benefits	42
Inactive employees entitled to but not yet receiving benefits	32
Active employees	278
Total	352

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Investments (Health OPEB)

The long-term expected rate of return on OPEB 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 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 (3.0%) and deducting investment expenses. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2023 are summarized in the following table:

	Target Allocation	Real Return
Large Cap Stocks S&P 500	37%	5.70%
Mid/Small Cap Stocks Russell 2000	12%	6.50%
International Stocks MSCI EAFE	17%	5.40%
Bonds Barclays US	33%	2.50%
Multi-sector bonds	0%	3.50%
Real Estate	0%	4.80%
Cash Equivalents	1%	0.00%
	100%	

Health OPEB (Cont'd)

GASB 74 does not reduce the long-term rate of return for administrative expenses. Instead administrative expenses are an explicit component of annual OPEB expense bases of the administrative expense for the fiscal year. The resulting GASB 75 rate of return is 7.25%. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made as the same percentage of participant payroll as for the 2018-19 year or \$156,500 and that all future retiree medical benefits will be paid from the trust fund under the terms of the plan. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The net OPEB liability was measured as of September 30, 2021 (rolled forward to September 30, 2022) and the total OPEB liability used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date.

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Sensitivity of the Net OPEB Liability to changes in the discount rate

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

	1% Decrease <u>6.25%</u>	Discount Rate <u>7.25%</u>	1% Increase <u>8.25%</u>
Total OPEB Liability	\$ 561,030	\$ 520,262	\$ 482,276
Net Fiduciary Position	<u>1,985,770</u>	<u>1,985,770</u>	<u>1,985,770</u>
Net OPEB Liability	\$ (1,424,740)	\$ (1,465,508)	\$ (1,503,494)

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates

The following presents the Net OPEB Liability of the City, as well as what the City's Net OPEB Liability (asset) would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 4.99% Grading to <u>3.87%</u>	Trend Rates 5.99% Grading to <u>4.87%</u>	1% Increase 6.99% Grading to <u>5.87%</u>
Total OPEB Liability	\$ 489,453	\$ 520,262	\$ 554,098
Net Fiduciary Position	<u>1,985,770</u>	<u>1,985,770</u>	<u>1,985,770</u>
Net OPEB Liability	\$ (1,496,317)	\$ (1,465,508)	\$ (1,431,672)

The OPEB plan assets are measured at fair value, using the same valuation methods used by the OPEB Plan for purpose of preparing its statement of fiduciary net position. The money weighted rate of return is 19.69%.

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Health OPEB (Cont'd)

The components of net OPEB liability at September 30, 2023 were as follows:

Reconciliation of Total OPEB Liability	
Service cost	\$ 18,585
Interest on total pension liability	42,363
Change of benefit terms	-
Differences between expected and actual experience	(106,420)
Change of Assumptions	-
Expected net benefit payments	-
Net change in total pension liability	<u>\$ (45,472)</u>
Total OPEB Liability at beginning of year	<u>\$ 565,733</u>
Total OPEB Liability at end of year (a)	<u><u>\$ 520,261</u></u>
Fiduciary net position:	
Employer contributions	\$ -
Member contributions	-
Investment income net of investment expense	228,320
Benefit payments/refunds of contributions	-
Administrative expenses	(30,779)
Net change in fiduciary net position	<u>\$ 197,541</u>
Fiduciary net position at beginning of year	<u>\$ 1,788,228</u>
Fiduciary net position at end of year (b)	<u>\$ 1,985,769</u>
Net OPEB liability/(asset) at end of year = (a) - (b)	<u><u>\$ (1,465,508)</u></u>
Fiduciary net position as a % of total OPEB liability	381.69%
Covered payroll	\$ 3,257,000
Net OPEB liability as a % of covered payroll	-45.00%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding in progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Health OPEB (Cont'd)

The projections of benefits for financial reporting purposes are based on the benefits provided which are considered for accounting purposes to be provided in accordance with a substantive plan. A substantive plan is one in which the plan terms are understood by the City and plan members. This understanding is based on communications between the employers and plan members and the historical pattern of practice with regard to the sharing of benefit costs; it may not be a long term legal commitment. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with long term perspective of the calculations. Additional information as the latest valuation follows:

Key Assumptions for Net OPEB Liability

Valuation Date	9/30/2023
Actuarial cost method	Entry age
Amortization method	Level dollar
Asset valuation	Market value
Discount rate	7.25%
Salary scale	3.0%
Expected Return on Assets	7.25%
Healthcare Cost Trend Rates	5.99% grading to 4.87%; Group 1 retirees at 5% and Group 2 at 3% per year
Mortality	9-30-18: RP 2000 projected using scale AA 9-30-19 on : Pub2010 Gen or Public Safety projected

Total SDBF OPEB Liability

The City's total OPEB liability of \$321,967 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Changes in the SDBF Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability - beginning of year	\$ 455,309
Changes for the year:	
Service Cost	\$ 49,983
Interest	8,788
Difference between expected and actual experience	21,547
Change in assumptions or other inputs	(208,305)
Benefit Payments	(5,356)
Net Change	\$ (133,343)
Total OPEB Liability - end of year	\$ 321,966

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Summary of Actuarial Assumptions

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	1.84%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 75.
Mortality rates – service retirees	2019 Municipal Retirement Texas Mortality tables. The rates are projected as a fully government basis with scale UMP.
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality rates with a 4 year set forward for males and 3 year set forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022. The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

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 approximate total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1 % Decrease 3.05%	Discount Rate 4.05%	1% Increase 5.05%
Total OPEB Liability	\$ 399,563	\$ 321,966	\$ 263,997

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

OPEB Expense – For the fiscal year ended September 30, 2023, the City recognized the following OPEB expense:

SDBF:		SDBF
Schedule of OPEB Expense		SDBF
Total Service Cost	\$	49,983
Interest on the Total OPEB Liability		8,788
Current-Period Benefit Changes		-
Employee Contributions (Reduction of Expense)		-
Projected Earning on Plan Investments (Reduction of Expense)		-
Administrative Expense		-
Other Changes in Fiduciary Net Position		-
Recognition of deferred outflows/inflows of resources:		
Actuarial (gains) and losses		-
Differences between expected and actual experience		2,325
Changes in assumptions or other inputs		(9,894)
Investments (gains) and losses		-
Change in Benefit Terms		-
Total OPEB Expense	\$	51,202

Health:		Health
Schedule of OPEB Expense		Health
Total Service Cost	\$	18,585
Interest on the Total OPEB Liability		42,363
Current-Period Benefit Changes		-
Employee Contributions (Reduction of Expense)		-
Projected Earning on Plan Investments (Reduction of Expense)		(128,531)
Administrative Expense		30,778
Other Changes in Fiduciary Net Position		-
Recognition of deferred outflows/inflows of resources:		
Actuarial (gains) and losses		(32,649)
Differences between expected and actual experience		-
Changes in assumptions or other inputs		(2,547)
Investments (gains) and losses		46,049
Adjustment to Investment Amortization		8,280
Total OPEB Expense	\$	(17,672)

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

SDBF and Health OPEB deferred outflows of resources and deferred inflows of resources: For the fiscal year ended September 30, 2022, the City recognized OPEB expense of \$(84,168). At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

SDBF:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 83,026	\$ (189,921)
Actuarial (Gains)/Losses	28,490	(10,257)
Net difference between projected and actual earnings on		
OPEB plan investments	-	-
OPEB Investment gains/losses	-	-
Employer contributions subsequent to the measurement date	17,345	-
Total	\$ 128,861	\$ (200,178)

Health:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 16,577	\$ (36,053)
Actuarial (Gains)/Losses	93,751	(344,450)
Net difference between projected and actual earnings on		
OPEB plan investments	-	-
OPEB Investment gains/losses	298,343	-
Employer contributions subsequent to the measurement date	-	-
Total	\$ 408,671	\$ (380,503)

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

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

The City reported \$17,345 as deferred outflows of resources related to OPEB resulting from contributions made subsequent to the measurement date of the Net OPEB liability but before the end of the fiscal year will be recognized as reduction of Net OPEB liability for the year 9/30/2023. Amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

SDBF:	
Years Ended September 30:	
2023	\$ (7,569)
2024	(7,569)
2025	(9,100)
2026	(8,717)
2027	(12,137)
Thereafter	<u>(43,570)</u>
Total	<u>\$ (88,662)</u>

Health:	
Years Ended September 30:	
2024	\$ 3,182
2025	20,616
2026	66,880
2027	66,880
2028	(35,196)
Thereafter	<u>(94,194)</u>
Total	<u>\$ 28,168</u>

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

V. OTHER INFORMATION (Cont'd)

D. Tax Abatement

The City of Kyle enters into sales and use tax and property tax abatement agreements with local businesses under Chapter 380 of the Texas Local Government Code. Under the Act, localities may grant sales and use and property tax abatements for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City of Kyle.

For the fiscal year ended September 30, 2023, the City of Kyle abated sales and use taxes totaling \$1,010,516 and property taxes totaling \$282,144 under these programs, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A 33 percent sales and use tax abatement to DDR, a developer, for taxable items collected on-site by the Retail Occupants and remitted to the State Comptroller. The abatement amounted to \$615,464.
- A 33 percent sales and use tax abatement to Seton Family of Hospitals for development of facility and increasing employment. The abatement amounted to \$395,052.
- A 50 percent property tax abatement to RR HPI, a developer, for assessed incremental property taxes above the base year. The abatement amounted to \$176,401.
- A 5-year rebate of City of Kyle Property Taxes to ENF Technology LLC, with a reduction of 10% each year. The property tax rebate amounted to \$105,743



**REQUIRED
SUPPLEMENTARY
INFORMATION
(UNAUDITED)**



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

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ 16,134,200	\$ 16,134,200	\$ 16,281,191	\$ 146,991
General Sales and Use Taxes	15,875,000	15,875,000	16,772,273	897,273
Franchise Tax	2,868,500	2,868,500	3,397,207	528,707
Other Taxes	120,000	120,000	160,547	40,547
Licenses and Permits	6,778,500	6,778,500	5,658,326	(1,120,174)
Intergovernmental Revenue and Grants	5,000	5,000	28,512	23,512
Charges for Services	7,404,200	7,404,200	7,397,145	(7,055)
Fines	520,000	520,000	444,783	(75,217)
Investment Earnings	600,000	600,000	4,334,448	3,734,448
Contributions & Donations from Private Sources	35,000	35,000	72,000	37,000
Other Revenue	250,000	250,000	221,644	(28,356)
Total Revenues	<u>50,590,400</u>	<u>50,590,400</u>	<u>54,768,076</u>	<u>4,177,676</u>
EXPENDITURES:				
Current:				
General Government	17,295,336	17,478,548	14,983,230	2,495,318
Public Safety	15,008,884	15,060,634	12,313,260	2,747,374
Public Works	8,517,968	8,517,968	8,184,222	333,746
Culture and Recreation	4,456,415	4,462,771	4,858,815	(396,044)
Debt Service:				
Principal on Debt	-	-	560,465	(560,465)
Interest on Right-to-Use Leases	-	-	40,572	(40,572)
Capital Outlay:				
Capital Outlay	476,244	501,694	1,127,625	(625,931)
Total Expenditures	<u>45,754,847</u>	<u>46,021,615</u>	<u>42,068,189</u>	<u>3,953,426</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,835,553</u>	<u>4,568,785</u>	<u>12,699,887</u>	<u>8,131,102</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	2,065,317	2,742,319	2,735,169	(7,150)
Other Sources - Leases	-	-	757,434	757,434
Transfers Out (Use)	(14,506,570)	(15,183,572)	(14,902,547)	281,025
Total Other Financing Sources (Uses)	<u>(12,441,253)</u>	<u>(12,441,253)</u>	<u>(11,409,944)</u>	<u>1,031,309</u>
Net Change	(7,605,700)	(7,872,468)	1,289,943	9,162,411
Fund Balance - October 1 (Beginning)	-	33,128,475	33,128,475	-
Fund Balance - September 30 (Ending)	<u>\$ (7,605,700)</u>	<u>\$ 25,256,007</u>	<u>\$ 34,418,418</u>	<u>\$ 9,162,411</u>

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

CITY OF KYLE
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Budgetary Information

The Council adopts an "appropriated budget" for the General Fund. The City adopts a budget for certain special revenue funds but is not required to legally adopt an annual budget and may spend special revenue fund resources without a legally adopted budget. The City is required to present the adopted and final amended budgeted revenues and expenditures for this fund. The City compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Sixty days prior to October 1st, the City prepares a budget for the next succeeding fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to the third Tuesday of September, the budget is legally enacted through passage of a resolution by the Council. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Council. Amendments are presented to the council at its regular meetings. Each amendment must have Council approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Council, and are not made after fiscal year end. Because the City has a policy of careful budgetary control, several amendments were necessary during the year.
4. The legal level of budgetary control is at the function level. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Council. If the budget is exceeded the City is not required to go back to Council for an amendment. All budget appropriations lapse at year end. Amounts encumbered prior to year-end will lapse 3 months after year end.

CITY OF KYLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GRANTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 45,000	\$ 45,000	\$ 131,559	\$ 86,559
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>131,559</u>	<u>86,559</u>
EXPENDITURES:				
Current:				
General Government:				
General Government - Grants	22,000	22,000	-	22,000
Public Safety:				
Police	63,617	63,617	162,206	(98,589)
Culture and Recreation:				
Library	1,000	1,000	-	1,000
Capital Outlay:				
Capital Outlay	4,000,000	4,000,000	-	4,000,000
Total Expenditures	<u>4,086,617</u>	<u>4,086,617</u>	<u>162,206</u>	<u>3,924,411</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,041,617)</u>	<u>(4,041,617)</u>	<u>(30,647)</u>	<u>4,010,970</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>18,617</u>	<u>18,617</u>	<u>52,379</u>	<u>33,762</u>
Total Other Financing Sources (Uses)	<u>18,617</u>	<u>18,617</u>	<u>52,379</u>	<u>33,762</u>
Change in Fund Balance	(4,023,000)	(4,023,000)	21,732	4,044,732
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>106,516</u>	<u>106,516</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ (4,023,000)</u>	<u>\$ (3,916,484)</u>	<u>\$ 128,248</u>	<u>\$ 4,044,732</u>

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

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Contributions - OPEB
September 30, 2023

Year Ending September 30,	Actuarial Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 156,608	\$ 156,500	\$ 108	\$ 3,291,000	7.25%
2018	156,500	156,500	-	3,490,000	9.55%
2019	156,500	156,500	-	3,184,000	6.14%
2020	156,500	159,035	(2,535)	2,961,000	5.30%
2021	156,500	156,500	-	2,726,000	-60.54%
2022	156,500	-	156,500	2,726,000	-60.54%
2023	-	-	-	3,257,000	-60.54%

Beginning fiscal year September 30, 2018, the ADC is calculated in accordance with the Employer's funding policy, if one exists. Prior to September 30, 2018 the ADC is equal to the Annual Required Contributions (ARC) calculated under GASB Statement No. 45.

Beginning fiscal year ending September 30, 2018, the ADC is calculated in accordance with the Employer's funding policy, if one exists. Prior to the current period, the ADC is equal to the Annual Required Contribution (ARC) calculated under GASB Statement No. 45.

Notes to Schedule

Valuation date	9/30/2023 (and measurement date)
Actuarial cost method	Entry Age normal
Asset valuation method	Market value
Discount rate	7.25%
Salary scale	3% assumed pay increases and inflation
Expected Return on Assets	7.25%
Healthcare Cost Trend Rates	5.99% grading to 4.87%; Group 1 retires at 5% and Group 2 at 3% per year
Mortality	RP 2000 projected

This OPEB schedule in the required supplementary information is intended to show information for ten years. Additional information will be displayed as it becomes available.

REQUIRED SUPPLEMENTARY INFORMATION
Schedules of Changes in the Employers Net OPEB Liability and Related Ratios - Health
For the last seven Fiscal Years

	2023	2022	2021	2020	2019	2018	2017
Reconciliation of Total OPEB Liability							
Service cost	\$ 18,585	\$ 18,044	\$ 17,681	\$ 18,407	\$ 52,958	\$ 50,112	\$ 50,485
Interest on total pension liability	42,363	37,137	40,438	42,428	108,343	100,810	79,145
Change of benefit terms	-	-	-	(797,728)	-	-	-
Differences between expected and actual experience	(106,420)	(56,116)	(56,025)	(214,286)	(122,181)	177,209	-
Change of Assumptions	-	(31,536)	(31,536)	(20,954)	28,137	-	-
Expected net benefit payments	-	-	-	-	(5,893)	(5,875)	(5,123)
Net change in total pension liability	\$ (45,472)	\$ (32,471)	\$ (29,442)	\$ (972,133)	\$ 61,364	\$ 322,256	\$ 124,507
Total OPEB Liability at beginning of year	\$ 565,733	\$ 598,204	\$ 627,646	\$ 1,599,779	\$ 1,538,415	\$ 1,216,159	\$ 1,091,652
Total OPEB Liability at end of year (a)	<u>\$ 520,261</u>	<u>\$ 565,733</u>	<u>\$ 598,204</u>	<u>\$ 627,646</u>	<u>\$ 1,599,779</u>	<u>\$ 1,538,415</u>	<u>\$ 1,216,159</u>
Fiduciary net position:							
Employer contributions	-	-	156,500	\$ 159,035	\$ 156,500	\$ 156,500	\$ 156,500
Member contributions	-	-	-	-	-	-	-
Investment income net of investment expense	225,706	(447,598)	366,165	199,110	59,309	83,045	109,860
Benefit payments/refunds of contributions	-	-	-	-	-	(2,303)	(5,123)
Administrative expenses	(28,164)	(12,617)	(19,003)	(17,577)	(16,660)	(9,834)	(12,427)
Net change in fiduciary net position	\$ 197,542	\$ (460,215)	\$ 503,662	\$ 340,568	\$ 199,149	\$ 227,409	\$ 248,810
Fiduciary net position at beginning of year	\$ 1,788,228	\$ 2,248,443	\$ 1,744,780	\$ 1,404,212	\$ 1,205,063	\$ 977,654	\$ 728,844
Fiduciary net position at end of year (b)	<u>\$ 1,985,770</u>	<u>\$ 1,788,228</u>	<u>\$ 2,248,443</u>	<u>\$ 1,744,780</u>	<u>\$ 1,404,212</u>	<u>\$ 1,205,063</u>	<u>\$ 977,654</u>
Net OPEB liability/(asset) at end of year = (a) - (b)	<u>\$ (1,465,509)</u>	<u>\$ (1,222,495)</u>	<u>\$ (1,650,240)</u>	<u>\$ (1,117,135)</u>	<u>\$ 195,566</u>	<u>\$ 333,352</u>	<u>\$ 238,505</u>
Fiduciary net position as a % of total OPEB liability	381.69%	316.09%	375.87%	277.99%	87.78%	78.33%	80.39%
Covered payroll	\$ 3,257,000	\$ 2,843,500	\$ 2,726,000	\$ 2,961,000	\$ 3,184,000	\$ 3,490,000	\$ 3,291,000
Net OPEB liability as a % of covered payroll	-45.00%	-42.99%	-60.54%	-37.73%	6.14%	9.55%	7.25%

REQUIRED SUPPLEMENTARY INFORMATION
Schedules of Investment Returns - OPEB
For the last seven Fiscal Years

Annual Money-Weighted Rate of Return	2017	2018	2019	2020	2021	2022	2023
Net Investment Expenses	11.21%	7.46%	4.40%	12.90%	19.69%	-1.32%	-19.96%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in Total OPEB Liability and Related Ratios - SDBF
For the Year Ended September 30, 2023

Total OPEB Liability for the Supplemental Death Benefit Fund

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Service Cost	\$ 49,983	\$ 47,436	\$ 32,212	\$ 20,831	\$ 22,658
Interest on the Total OPEB Liability	8,788	7,974	8,389	8,364	6,996
Current-Period Benefit Changes	-	-	-	-	-
Differences between expected and actual experience	21,547	10,378	(9,812)	(7,672)	4,344
Changes in assumptions or other inputs	(208,305)	16,837	58,214	53,681	(17,825)
Projected Earnings on Plan Investments (Reduction of Expense)	-	-	-	-	-
Benefit payments	(5,355)	(4,591)	(1,342)	(1,225)	(1,133)
Net Change	\$ (133,342)	\$ 78,034	\$ 87,661	\$ 73,979	\$ 15,040
Total OPEB liability, beginning	<u>455,309</u>	<u>377,275</u>	<u>289,614</u>	<u>215,635</u>	<u>200,595</u>
Total OPEB liability, ending	<u>\$ 321,967</u>	<u>\$ 455,309</u>	<u>\$ 377,275</u>	<u>\$ 289,614</u>	<u>\$ 215,635</u>
Covered - employee payroll	17,851,190	15,302,060	13,421,461	12,253,645	11,328,847
Total liability as a percentage of covered - payroll	1.80%	2.98%	2.81%	2.36%	1.90%

Notes to Schedule:

The OPEB schedule in the required supplementary information is intended to show information for ten years.

Additional information will be displayed as it becomes available.

Summary of Actuarial Assumptions:

Inflation 2.50%

Salary Increases 3.50% to 11.50% including inflation

Discount rate 4.05%

Retirees' share of benefit-related costs \$0

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 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who became 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.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in Net Pension Liability and Related Ratios

	For the Last Eight Fiscal Years*								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service Cost	\$ 3,170,371	\$ 2,705,404	\$ 2,389,020	\$ 2,151,740	\$ 1,978,017	\$ 1,749,440	\$ 1,565,958	\$ 1,315,411	\$ 1,137,933
Interest (on the Total Pension Liability)	2,598,914	2,250,979	1,998,021	1,731,169	1,517,366	1,342,527	1,192,749	1,090,180	950,075
Changes of benefit terms	-	-	-	-	-	-	-	6,942	-
Difference between expected and actual experience	374,555	744,570	(141,014)	337,529	63,015	(189,672)	(185,089)	(82,587)	59,381
Change of assumptions	-	-	-	168,232	-	-	-	6,064	-
Benefits Payments, including refunds of employee contributions	(818,223)	(739,474)	(573,913)	(533,971)	(421,654)	(431,097)	(461,759)	(254,208)	(228,929)
Net Change in Total Pension Liability	\$ 5,325,617	\$ 4,961,479	\$ 3,672,114	\$ 3,854,699	\$ 3,136,744	\$ 2,471,198	\$ 2,111,859	\$ 2,081,802	\$ 1,918,460
Total Pension Liability - Beginning	37,326,354	32,364,875	28,692,761	24,838,062	21,701,318	19,230,120	17,118,263	15,036,461	13,118,001
Total Pension Liability - Ending (a)	\$ 42,651,971	\$ 37,326,354	\$ 32,364,875	\$ 28,692,761	\$ 24,838,062	\$ 21,701,318	\$ 19,230,120	\$ 17,118,263	\$ 15,036,461
Plan Fiduciary Net Position									
Contributions - Employer	\$ 2,274,243	\$ 1,985,514	\$ 1,682,576	\$ 1,530,481	\$ 1,405,910	\$ 1,297,509	\$ 1,112,797	\$ 969,980	\$ 691,539
Contributions - Employee	1,249,583	1,071,144	939,502	857,755	793,019	715,726	639,540	582,777	528,470
Net Investment Income	(2,567,206)	3,785,102	1,903,925	3,111,839	(566,454)	2,109,464	882,061	17,316	581,772
Benefits Payments, including refunds of employee contributions	(818,223)	(739,474)	(573,913)	(533,971)	(421,654)	(431,097)	(461,759)	(254,208)	(228,929)
Administrative Expense	(22,140)	(17,471)	(12,292)	(17,539)	(10,929)	(10,916)	(9,950)	(10,543)	(6,071)
Other	26,419	119	(480)	(527)	(571)	(553)	(536)	(521)	(499)
Net Change in Plan Fiduciary Net Position	142,676	6,084,934	3,939,319	4,948,039	1,199,322	3,680,133	2,162,153	1,304,801	1,566,282
Plan Fiduciary Net Position - Beginning	35,049,792	28,964,858	25,025,539	20,077,500	18,878,178	15,198,045	13,035,892	11,731,091	10,164,809
Plan Fiduciary Net Position - Ending (b)	\$ 35,192,468	\$ 35,049,792	\$ 28,964,858	\$ 25,025,539	\$ 20,077,500	\$ 18,878,178	\$ 15,198,045	\$ 13,035,892	\$ 11,731,091
Net Pension Liability - Ending (a) - (b)	\$ 7,459,503	\$ 2,276,562	\$ 3,400,017	\$ 3,667,222	\$ 4,760,562	\$ 2,823,140	\$ 4,032,075	\$ 4,082,371	\$ 3,305,370
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.51%	93.90%	89.49%	87.22%	80.83%	86.99%	79.03%	76.15%	78.02%
Covered Payroll	\$ 17,851,190	\$ 15,302,060	\$ 13,421,461	\$ 12,253,645	\$ 11,328,847	\$ 10,224,662	\$ 9,136,279	\$ 8,325,383	\$ 8,071,984
Net Pension Liability as a Percentage of Covered Payroll	41.79%	14.88%	25.33%	29.93%	42.02%	27.61%	44.13%	49.04%	40.95%

* Schedules are intended to show information for ten years and the additional years' information will be displayed as it becomes available, amounts presented for the year end were determined as of December 31, the measurement date.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Employer Contributions

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 627,943	\$ 627,943	\$ -	\$ 7,550,582	8.3%
2015	953,338	936,923	16,415	8,686,216	10.8%
2016	1,160,869	1,116,031	44,838	9,207,541	12.1%
2017	1,225,528	1,240,665	(15,137)	9,868,892	12.6%
2018	1,391,093	1,414,894	(23,801)	11,149,680	12.7%
2019	1,479,117	1,479,117	-	11,149,680	13.3%
2020	1,530,481	1,530,481	-	12,253,645	12.5%
2021	1,846,501	1,846,501	-	13,421,461	13.8%
2022	2,149,897	2,149,897	-	15,302,060	14.0%
2023	2,703,099	2,703,099	-	17,851,190	15.1%

Notes to Schedule of Contributions

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 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 rate that are specific to the City's plan of benefits. Last update for the 2019 valuation pursuant to an experience study of the Period 2014-2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The Rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.



COMBINING STATEMENTS



CITY OF KYLE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2023

	Plum Creek Phase II Special Fee	Public Education & Gov't Access	Police Forfeiture	Police Special Revenue
ASSETS				
Pooled Cash and Investments	\$ -	\$ 338,685	\$ 91,371	\$ 28,749
Restricted Pooled Cash and Cash Equivalents	-	-	-	-
Receivable (Net)	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 338,685</u>	<u>\$ 91,371</u>	<u>\$ 28,749</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Contracts Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
Restricted Fund Balance - Tourism and Other	-	338,685	91,371	28,749
Restricted Fund Balance - Capital Projects	-	-	-	-
Assigned Fund Balance:				
Assigned Fund Balance - Capital Projects	-	-	-	-
Unassigned Fund Balance	-	-	-	-
Total Fund Balances	<u>-</u>	<u>338,685</u>	<u>91,371</u>	<u>28,749</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 338,685</u>	<u>\$ 91,371</u>	<u>\$ 28,749</u>

Court Special Revenue	Police Abandoned & Unclaimed	Hotel Occupancy	TIRZ #2 Fund	TIRZ #3 Fund	TIRZ #4 Fund	Bunton Creek PID	Blanco River Ranch PID
\$ 59,157	\$ 7,730	\$ 770,052	\$ -	\$ 361,608	\$ -	\$ 1,479	\$ -
-	-	-	10,250,576	-	-	-	-
-	-	153,200	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 59,157</u>	<u>\$ 7,730</u>	<u>\$ 923,252</u>	<u>\$ 10,250,576</u>	<u>\$ 361,608</u>	<u>\$ -</u>	<u>\$ 1,479</u>	<u>\$ -</u>
\$ 60	\$ -	\$ 1,372	\$ 106,099	\$ -	\$ -	\$ 1,479	\$ 900
-	-	-	-	892	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	892	-	1,674
<u>60</u>	<u>-</u>	<u>1,372</u>	<u>106,099</u>	<u>892</u>	<u>892</u>	<u>1,479</u>	<u>2,574</u>
59,097	7,730	921,880	10,144,477	360,716	(892)	-	(2,574)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>59,097</u>	<u>7,730</u>	<u>921,880</u>	<u>10,144,477</u>	<u>360,716</u>	<u>(892)</u>	<u>-</u>	<u>(2,574)</u>
<u>\$ 59,157</u>	<u>\$ 7,730</u>	<u>\$ 923,252</u>	<u>\$ 10,250,576</u>	<u>\$ 361,608</u>	<u>\$ -</u>	<u>\$ 1,479</u>	<u>\$ -</u>

CITY OF KYLE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2023

	SW Kyle PID #1	Plum Creek	Toll Bros PID	Hillside Terrace PID
ASSETS				
Pooled Cash and Investments	\$ -	\$ 3,370	\$ 48,323	\$ 39,958
Restricted Pooled Cash and Cash Equivalents	-	-	-	-
Receivable (Net)	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 3,370</u>	<u>\$ 48,323</u>	<u>\$ 39,958</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 125
Wages and Salaries Payable	-	-	-	-
Contracts Payable	-	-	50,000	-
Due to Other Funds	1,057	-	-	-
Total Liabilities	<u>1,057</u>	<u>-</u>	<u>50,000</u>	<u>125</u>
FUND BALANCES				
Restricted Fund Balance:				
Restricted Fund Balance - Tourism and Other	(1,057)	3,370	(1,677)	39,833
Restricted Fund Balance - Capital Projects	-	-	-	-
Assigned Fund Balance:				
Assigned Fund Balance - Capital Projects	-	-	-	-
Total Fund Balances	<u>(1,057)</u>	<u>3,370</u>	<u>(1,677)</u>	<u>39,833</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 3,370</u>	<u>\$ 48,323</u>	<u>\$ 39,958</u>

Limestone Creek PID	KAYAC Outreach Fund	Total Nonmajor Special Revenue Funds	Transportatio Fund	CIP Park Development Fund	Road Improvement Fund	Senior Activity & Community Ctr	Total Nonmajor Governmental Funds
\$ 168,744	\$ 3,890	\$ 1,923,116	\$ 2,557,105	\$ 5,510,883	\$ -	\$ 194,512	\$ 10,185,616
-	-	10,250,576	-	-	1,848,467	-	12,099,043
-	-	153,200	-	-	-	-	153,200
3,623	-	3,623	-	-	-	-	3,623
<u>\$ 172,367</u>	<u>\$ 3,890</u>	<u>\$ 12,330,515</u>	<u>\$ 2,557,105</u>	<u>\$ 5,510,883</u>	<u>\$ 1,848,467</u>	<u>\$ 194,512</u>	<u>\$ 22,441,482</u>
\$ 46,382	\$ -	\$ 156,417	\$ -	\$ 238,480	\$ 90,907	\$ -	\$ 485,804
-	-	892	-	-	-	-	892
-	-	50,000	-	-	-	-	50,000
-	-	3,623	-	-	-	-	3,623
<u>46,382</u>	<u>-</u>	<u>210,932</u>	<u>-</u>	<u>238,480</u>	<u>90,907</u>	<u>-</u>	<u>540,319</u>
125,985	3,890	12,119,583	-	-	-	-	12,119,583
-	-	-	-	-	1,757,560	-	1,757,560
-	-	-	2,557,105	5,272,403	-	194,512	8,024,020
<u>125,985</u>	<u>3,890</u>	<u>12,119,583</u>	<u>2,557,105</u>	<u>5,272,403</u>	<u>1,757,560</u>	<u>194,512</u>	<u>21,901,163</u>
<u>\$ 172,367</u>	<u>\$ 3,890</u>	<u>\$ 12,330,515</u>	<u>\$ 2,557,105</u>	<u>\$ 5,510,883</u>	<u>\$ 1,848,467</u>	<u>\$ 194,512</u>	<u>\$ 22,441,482</u>

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

	Plum Creek Phase II Special Fee	Public Education & Gov't Access	Police Forfeiture	Police Special Revenue
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Franchise Tax	-	72,827	-	-
Other Taxes	-	-	-	-
Intergovernmental Revenue and Grants	-	-	-	3,097
Charges for Services	42,250	-	-	-
Special Assessments	-	-	-	-
Investment Earnings	-	-	755	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	-	-	10,662	-
Total Revenues	<u>42,250</u>	<u>72,827</u>	<u>11,417</u>	<u>3,097</u>
EXPENDITURES:				
Current:				
General Government	-	33,169	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Interest on Debt	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>33,169</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>42,250</u>	<u>39,658</u>	<u>11,417</u>	<u>3,097</u>
OTHER FINANCING SOURCES (USES):				
Issuance of Bonds	-	-	-	-
Transfers In	-	-	-	-
Premium or Discount on Issuance of Bonds	-	-	-	-
Transfers Out (Use)	(92,850)	-	-	-
Total Other Financing Sources (Uses)	<u>(92,850)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(50,600)	39,658	11,417	3,097
Fund Balance - October 1 (Beginning)	<u>50,600</u>	<u>299,027</u>	<u>79,954</u>	<u>25,652</u>
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 338,685</u>	<u>\$ 91,371</u>	<u>\$ 28,749</u>

Court Special Revenue	Police Abandoned & Unclaimed	Hotel Occupancy	TIRZ #2 Fund	TIRZ #3 Fund	TIRZ #4 Fund	Bunton Creek PID	Blanco River Ranch PID
\$ -	\$ -	\$ -	\$ 629,334	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	582,286	-	-	-	-	-
-	-	-	-	-	-	-	-
27,581	-	-	-	-	-	-	-
-	-	-	-	-	-	76,959	-
-	-	-	-	-	-	-	-
-	-	10,000	-	370,000	-	-	-
-	-	-	-	-	-	-	-
<u>27,581</u>	<u>-</u>	<u>592,286</u>	<u>629,334</u>	<u>370,000</u>	<u>-</u>	<u>76,959</u>	<u>-</u>
6,004	-	-	133,558	1,443	892	77,130	2,574
-	-	90,063	-	-	-	-	-
-	-	-	393,627	-	-	-	-
-	-	-	2,387,856	6,600	-	-	-
<u>6,004</u>	<u>-</u>	<u>90,063</u>	<u>2,915,041</u>	<u>8,043</u>	<u>892</u>	<u>77,130</u>	<u>2,574</u>
<u>21,577</u>	<u>-</u>	<u>502,223</u>	<u>(2,285,707)</u>	<u>361,957</u>	<u>(892)</u>	<u>(171)</u>	<u>(2,574)</u>
-	-	-	8,265,000	-	-	-	-
-	-	-	1,283,448	1	-	-	-
-	-	-	128,627	-	-	-	-
<u>(15,000)</u>	<u>-</u>	<u>(400,317)</u>	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(15,000)</u>	<u>-</u>	<u>(400,317)</u>	<u>9,427,075</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,577	-	101,906	7,141,368	361,958	(892)	(171)	(2,574)
<u>52,520</u>	<u>7,730</u>	<u>819,974</u>	<u>3,003,109</u>	<u>(1,242)</u>	<u>-</u>	<u>171</u>	<u>-</u>
<u>\$ 59,097</u>	<u>\$ 7,730</u>	<u>\$ 921,880</u>	<u>\$ 10,144,477</u>	<u>\$ 360,716</u>	<u>\$ (892)</u>	<u>\$ -</u>	<u>\$ (2,574)</u>

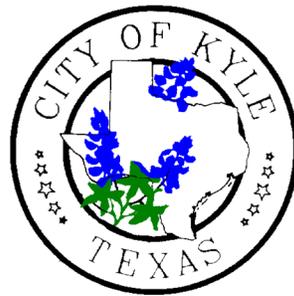
CITY OF KYLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	SW Kyle PID #1	Plum Creek	Toll Bros PID	Hillside Terrace PID
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Franchise Tax	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	-	-	-
Special Assessments	-	8,950	-	-
Investment Earnings	-	-	-	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>-</u>	<u>8,950</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
General Government	1,057	41,455	245	4,451
Culture and Recreation	-	-	-	-
Debt Service:				
Interest on Debt	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,057</u>	<u>41,455</u>	<u>245</u>	<u>4,451</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,057)</u>	<u>(32,505)</u>	<u>(245)</u>	<u>(4,451)</u>
OTHER FINANCING SOURCES (USES):				
Issuance of Bonds	-	-	-	-
Transfers In	-	-	-	-
Premium or Discount on Issuance of Bonds	-	-	-	-
Transfers Out (Use)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1,057)	(32,505)	(245)	(4,451)
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>35,875</u>	<u>(1,432)</u>	<u>44,284</u>
Fund Balance - September 30 (Ending)	<u>\$ (1,057)</u>	<u>\$ 3,370</u>	<u>\$ (1,677)</u>	<u>\$ 39,833</u>

Limestone Creek PID	KAYAC Outreach Fund	Total Nonmajor Special Revenue Funds	Transportatio Fund	CIP Park Development Fund	Road Improvement Fund	Senior Activity & Community Ctr	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 629,334	\$ -	\$ -	\$ -	\$ -	\$ 629,334
-	-	72,827	-	-	-	-	72,827
-	-	582,286	-	-	-	-	582,286
-	-	3,097	-	-	-	-	3,097
-	-	69,831	-	1,989,900	-	-	2,059,731
135,000	-	220,909	-	-	917,926	-	1,138,835
-	-	755	-	-	-	-	755
-	-	380,000	-	-	-	-	380,000
-	-	10,662	-	-	-	-	10,662
<u>135,000</u>	<u>-</u>	<u>1,969,701</u>	<u>-</u>	<u>1,989,900</u>	<u>917,926</u>	<u>-</u>	<u>4,877,527</u>
10,401	-	312,379	-	-	-	55,850	368,229
-	-	90,063	-	-	-	-	90,063
-	-	393,627	-	-	-	-	393,627
<u>44,782</u>	<u>-</u>	<u>2,439,238</u>	<u>-</u>	<u>1,977,826</u>	<u>2,473,025</u>	<u>508</u>	<u>6,890,597</u>
<u>55,183</u>	<u>-</u>	<u>3,235,307</u>	<u>-</u>	<u>1,977,826</u>	<u>2,473,025</u>	<u>56,358</u>	<u>7,742,516</u>
<u>79,817</u>	<u>-</u>	<u>(1,265,606)</u>	<u>-</u>	<u>12,074</u>	<u>(1,555,099)</u>	<u>(56,358)</u>	<u>(2,864,989)</u>
-	-	8,265,000	-	-	-	-	8,265,000
-	-	1,283,449	-	-	-	-	1,283,449
-	-	128,627	-	-	-	-	128,627
-	-	(758,167)	-	-	-	-	(758,167)
<u>-</u>	<u>-</u>	<u>8,918,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,918,909</u>
79,817	-	7,653,303	-	12,074	(1,555,099)	(56,358)	6,053,920
<u>46,168</u>	<u>3,890</u>	<u>4,466,280</u>	<u>2,557,105</u>	<u>5,260,329</u>	<u>3,312,659</u>	<u>250,870</u>	<u>15,847,243</u>
<u>\$ 125,985</u>	<u>\$ 3,890</u>	<u>\$ 12,119,583</u>	<u>\$ 2,557,105</u>	<u>\$ 5,272,403</u>	<u>\$ 1,757,560</u>	<u>\$ 194,512</u>	<u>\$ 21,901,163</u>



**OTHER
SUPPLEMENTARY
INFORMATION
(UNAUDITED)**



CITY OF KYLE
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - PLUM CREEK PH II SPECIAL FEE
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Charges for Services	\$ 100,000	\$ 100,000	\$ 42,250	\$ (57,750)
Total Revenues	100,000	100,000	42,250	(57,750)
OTHER FINANCING SOURCES (USES):				
Transfers Out (Use)	(100,000)	(100,000)	(92,850)	7,150
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(92,850)	7,150
Change in Fund Balance	-	-	(50,600)	(50,600)
Fund Balance - October 1 (Beginning)	-	50,600	50,600	-
Fund Balance - September 30 (Ending)	\$ -	\$ 50,600	\$ -	\$ (50,600)

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

CITY OF KYLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PUBLIC, EDUCATION & GOV'T ACCESS FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Franchise Tax	\$ 80,000	\$ 80,000	\$ 72,827	\$ (7,173)
Total Revenues	80,000	80,000	72,827	(7,173)
EXPENDITURES:				
Current:				
General Government	224,918	224,918	33,169	191,749
Total Expenditures	224,918	224,918	33,169	191,749
Change in Fund Balance	(144,918)	(144,918)	39,658	184,576
Fund Balance - October 1 (Beginning)	-	299,028	299,028	-
Fund Balance - September 30 (Ending)	\$ (144,918)	\$ 154,110	\$ 338,686	\$ 184,576

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

CITY OF KYLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - POLICE FORFEITURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Investment Earnings	\$ -	\$ -	\$ 755	\$ 755
Other Revenue	15,000	15,000	10,662	(4,338)
Total Revenues	15,000	15,000	11,417	(3,583)
EXPENDITURES:				
Police	15,000	15,000	-	15,000
Total Expenditures	15,000	15,000	-	15,000
Change in Fund Balance	-	-	11,417	11,417
Fund Balance - October 1 (Beginning)	-	79,954	79,954	-
Fund Balance - September 30 (Ending)	\$ -	\$ 79,954	\$ 91,371	\$ 11,417

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

CITY OF KYLE
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - POLICE SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
REVENUES:				
Intergovernmental Revenue and Grants	\$ 3,500	\$ 3,500	\$ 3,097	\$ (403)
Total Revenues	3,500	3,500	3,097	(403)
EXPENDITURES:				
Police	3,500	3,500	-	3,500
Total Expenditures	3,500	3,500	-	3,500
Change in Fund Balance	-	-	3,097	3,097
Fund Balance - October 1 (Beginning)	-	25,652	25,652	-
Fund Balance - September 30 (Ending)	\$ -	\$ 25,652	\$ 28,749	\$ 3,097

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

CITY OF KYLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COURT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
REVENUES:				
Charges for Services	\$ 28,700	\$ 28,700	\$ 27,581	\$ (1,119)
Total Revenues	28,700	28,700	27,581	(1,119)
EXPENDITURES:				
Current:				
General Government	9,000	9,000	6,004	2,996
Total Expenditures	9,000	9,000	6,004	2,996
Excess of Revenues Over Expenditures	19,700	19,700	21,577	1,877
OTHER FINANCING SOURCES (USES):				
Transfers Out (Use)	(15,000)	(15,000)	(15,000)	-
Total Other Financing Sources (Uses)	(15,000)	(15,000)	(15,000)	-
Change in Fund Balance	4,700	4,700	6,577	1,877
Fund Balance - October 1 (Beginning)	-	52,520	52,520	-
Fund Balance - September 30 (Ending)	\$ 4,700	\$ 57,220	\$ 59,097	\$ 1,877

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

CITY OF KYLE
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - POLICE ABANDONED & UNCLAIMED PROPERTY FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
EXPENDITURES:				
Police	\$ 7,731	\$ 7,731	\$ -	\$ 7,731
Total Expenditures	7,731	7,731	-	7,731
Change in Fund Balance	(7,731)	(7,731)	-	7,731
Fund Balance - October 1 (Beginning)	-	7,730	7,730	-
 Fund Balance - September 30 (Ending)	 \$ (7,731)	 \$ (1)	 \$ 7,730	 \$ 7,731

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

CITY OF KYLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HOTEL OCCUPANCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Other Taxes	\$ 450,000	\$ 450,000	\$ 582,286	\$ 132,286
Contributions & Donations from Private	-	-	10,000	10,000
Total Revenues	450,000	450,000	592,286	142,286
EXPENDITURES:				
Hotel Occupancy Tax	220,000	220,000	90,063	129,937
Total Expenditures	220,000	220,000	90,063	129,937
Excess of Revenues Over Expenditures	230,000	230,000	502,223	272,223
OTHER FINANCING SOURCES (USES):				
Transfers Out (Use)	(400,317)	(400,317)	(400,317)	-
Total Other Financing Sources (Uses)	(400,317)	(400,317)	(400,317)	-
Change in Fund Balance	(170,317)	(170,317)	101,906	272,223
Fund Balance - October 1 (Beginning)	-	819,974	819,974	-
Fund Balance - September 30 (Ending)	\$ (170,317)	\$ 649,657	\$ 921,880	\$ 272,223

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

CITY OF KYLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TIRZ #2 FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Property Taxes	\$ 1,068,300	\$ 1,068,300	\$ 629,334	\$ (438,966)
Total Revenues	<u>1,068,300</u>	<u>1,068,300</u>	<u>629,334</u>	<u>(438,966)</u>
EXPENDITURES:				
Current:				
General Government	770,200	770,200	133,557	636,643
Debt Service:				
Interest on Debt	700,000	700,000	393,627	306,373
Capital Outlay:				
Capital Outlay	8,000,000	10,186,048	2,387,856	7,798,192
Total Expenditures	<u>9,470,200</u>	<u>11,656,248</u>	<u>2,915,040</u>	<u>8,741,208</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,401,900)</u>	<u>(10,587,948)</u>	<u>(2,285,706)</u>	<u>8,302,242</u>
OTHER FINANCING SOURCES (USES):				
Issuance of Bonds	8,000,000	8,000,000	8,265,000	265,000
Transfers In	1,663,800	1,663,800	1,283,448	(380,352)
Premium or Discount on Issuance of Bonds	-	-	128,627	128,627
Transfers Out (Use)	(250,000)	(250,000)	(250,000)	-
Total Other Financing Sources (Uses)	<u>9,413,800</u>	<u>9,413,800</u>	<u>9,427,075</u>	<u>13,275</u>
Change in Fund Balance	1,011,900	(1,174,148)	7,141,369	8,315,517
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>3,003,108</u>	<u>3,003,108</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 1,011,900</u>	<u>\$ 1,828,960</u>	<u>\$ 10,144,477</u>	<u>\$ 8,315,517</u>

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

CITY OF KYLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TIRZ #3 FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
REVENUES:				
Property Taxes	\$ 1	\$ 1	\$ -	\$ (1)
Contributions & Donations from Private	-	-	370,000	370,000
Total Revenues	1	1	370,000	369,999
EXPENDITURES:				
Current:				
General Government	-	-	1,442	(1,442)
Capital Outlay:				
Capital Outlay	-	248,300	6,600	241,700
Total Expenditures	-	248,300	8,042	240,258
Excess (Deficiency) of Revenues Over (Under) Expenditures	1	(248,299)	361,958	610,257
OTHER FINANCING SOURCES (USES):				
Transfers In	1	1	1	-
Total Other Financing Sources (Uses)	1	1	1	-
Change in Fund Balance	2	(248,298)	361,959	610,257
Fund Balance - October 1 (Beginning)	-	(1,243)	(1,242)	1
Fund Balance - September 30 (Ending)	\$ 2	\$ (249,541)	\$ 360,717	\$ 610,258

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

CITY OF KYLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUNTON CREEK PID
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Special Assessments	\$ 90,000	\$ 90,000	\$ 76,959	\$ (13,041)
Total Revenues	90,000	90,000	76,959	(13,041)
EXPENDITURES:				
Current:				
General Government	90,000	90,000	77,130	12,870
Total Expenditures	90,000	90,000	77,130	12,870
Change in Fund Balance	-	-	(171)	(171)
Fund Balance - October 1 (Beginning)	-	171	171	-
Fund Balance - September 30 (Ending)	\$ -	\$ 171	\$ -	\$ (171)

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

CITY OF KYLE
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - KAYAC OUTREACH FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
EXPENDITURES:				
Current:				
General Government	\$ 3,890	\$ 3,890	\$ -	\$ 3,890
Total Expenditures	3,890	3,890	-	3,890
Change in Fund Balance	(3,890)	(3,890)	-	3,890
Fund Balance - October 1 (Beginning)	-	3,890	3,890	-
Fund Balance - September 30 (Ending)	\$ (3,890)	\$ -	\$ 3,890	\$ 3,890

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

CITY OF KYLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TRANSPORTATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
EXPENDITURES:				
Capital Outlay:				
Capital Outlay	\$ 2,465,365	\$ 2,239,045	\$ -	\$ 2,239,045
Total Expenditures	2,465,365	2,239,045	-	2,239,045
Change in Fund Balance	(2,465,365)	(2,239,045)	-	2,239,045
Fund Balance - October 1 (Beginning)	-	2,557,105	2,557,105	-
 Fund Balance - September 30 (Ending)	 \$ (2,465,365)	 \$ 318,060	 \$ 2,557,105	 \$ 2,239,045

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

CITY OF KYLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CIP PARK DEVELOPMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Charges for Services	\$ 1,500,000	\$ 1,500,000	\$ 1,989,900	\$ 489,900
Total Revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,989,900</u>	<u>489,900</u>
EXPENDITURES:				
Capital Outlay:				
Capital Outlay	3,326,600	3,771,378	1,977,825	1,793,553
Total Expenditures	<u>3,326,600</u>	<u>3,771,378</u>	<u>1,977,825</u>	<u>1,793,553</u>
Change in Fund Balance	(1,826,600)	(2,271,378)	12,075	2,283,453
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>5,260,329</u>	<u>5,260,329</u>	<u>-</u>
 Fund Balance - September 30 (Ending)	 <u>\$ (1,826,600)</u>	 <u>\$ 2,988,951</u>	 <u>\$ 5,272,404</u>	 <u>\$ 2,283,453</u>

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

CITY OF KYLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STREET IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Special Assessments	\$ 765,000	\$ 765,000	\$ 917,926	\$ 152,926
Total Revenues	<u>765,000</u>	<u>765,000</u>	<u>917,926</u>	<u>152,926</u>
EXPENDITURES:				
Capital Outlay:				
Capital Outlay	3,857,700	4,022,700	2,473,025	1,549,675
Total Expenditures	<u>3,857,700</u>	<u>4,022,700</u>	<u>2,473,025</u>	<u>1,549,675</u>
Change in Fund Balance	(3,092,700)	(3,257,700)	(1,555,099)	1,702,601
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>3,312,659</u>	<u>3,312,659</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ (3,092,700)</u>	<u>\$ 54,959</u>	<u>\$ 1,757,560</u>	<u>\$ 1,702,601</u>

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

CITY OF KYLE
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - SENIOR ACTIVITY & COMMUNITY CENTER
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
EXPENDITURES:				
Current:				
General Government	\$ -	\$ -	\$ 55,850	\$ (55,850)
Capital Outlay:				
Capital Outlay	156,600	195,020	508	194,512
Total Expenditures	156,600	195,020	56,358	138,662
Change in Fund Balance	(156,600)	(195,020)	(56,358)	138,662
Fund Balance - October 1 (Beginning)	-	250,870	250,870	-
 Fund Balance - September 30 (Ending)	 \$ (156,600)	 \$ 55,850	 \$ 194,512	 \$ 138,662

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



STATISTICAL SECTION



STATISTICAL SECTION (Unaudited)

This part of the City of Kyle, Texas' comprehensive annual financial report presents multiple years of data to provide a historical perspective for understanding the information available in the financial statements, note, disclosures, and required supplementary information and for assessing the City's overall financial condition.

Contents:

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain trend information to help the reader assess the City's most significant local revenue resources. Property tax, sales tax and charges for services are the largest revenue sources for governmental activities. Water and wastewater charges are the largest sources for business-type activities

Debt Capacity

These schedules contain trend information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Indicators

These schedules contain economic and demographic data to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services and activities performed by the City.

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

CITY OF KYLE, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net Investment in Capital Assets	\$ 22,888,184	\$ 37,500,433	\$ 49,390,461	\$ 52,720,071	\$ 64,905,304	\$ 67,862,885	\$ 88,141,295	\$ 120,764,220	\$ 127,480,004	\$ 163,389,681
Restricted	11,015,147	1,426,961	1,450,855	2,149,427	4,035,118	1,427,943	3,559,004	10,246,683	6,876,878	13,992,055
Unrestricted	8,394,091	13,307,688	9,455,449	13,101,265	16,064,010	24,596,629	25,946,417	33,596,180	58,007,638	53,334,661
Total Governmental Activities Net Assets	\$ 42,297,422	\$ 52,235,082	\$ 60,296,765	\$ 67,970,763	\$ 85,004,432	\$ 93,887,457	\$ 117,646,716	\$ 164,607,083	\$ 192,364,520	\$ 230,716,397
Business-type activities:										
Net Investment in Capital Assets	\$ 48,085,808	\$ 50,651,024	\$ 54,243,210	\$ 63,915,105	\$ 78,905,383	\$ 89,394,468	\$ 113,365,561	\$ 133,371,226	\$ 159,851,331	\$ 214,125,421
Restricted	8,470,600	10,854,507	13,482,480	16,916,006	19,789,804	19,526,325	32,603,246	34,389,374	50,645,129	51,497,685
Unrestricted	6,520,462	8,480,255	9,305,819	14,298,489	21,075,053	30,577,878	22,210,652	27,015,891	28,261,428	34,010,672
Total Business-Type Activities Net Assets	\$ 63,076,870	\$ 69,985,786	\$ 77,031,509	\$ 95,129,600	\$ 119,770,240	\$ 139,498,671	\$ 168,179,459	\$ 194,776,491	\$ 238,757,888	\$ 299,633,778
Primary government:										
Net Investment in Capital Assets	\$ 70,973,992	\$ 88,151,457	\$ 103,633,671	\$ 116,635,176	\$ 143,810,687	\$ 157,257,353	\$ 201,506,856	\$ 254,135,446	\$ 287,331,335	\$ 377,515,101
Restricted	9,858,328	12,281,468	14,933,335	19,065,433	23,824,922	20,954,268	36,162,250	44,636,057	57,522,007	65,489,740
Unrestricted	24,541,972	21,787,943	18,761,268	27,399,754	37,139,063	55,174,507	48,157,069	60,612,071	86,269,066	87,345,333
Total Primary Government Net Position	\$ 105,374,292	\$ 122,220,868	\$ 137,328,274	\$ 163,100,363	\$ 204,774,672	\$ 233,386,128	\$ 285,826,175	\$ 359,383,574	\$ 431,122,408	\$ 530,350,174

Source: Annual Financial Reports

* GASB 34 implemented 2004

* Statement of Net Assets on Audit Report

* Reported as Net Position beginning 2013

**CITY OF KYLE, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EXPENSES										
Governmental Activities:										
General Government	\$ 5,939,271	\$ 7,265,995	\$ 6,749,251	\$ 7,209,505	\$ 7,048,673	\$ 7,992,803	\$ 8,226,389	\$ 10,763,625	\$ 13,422,799	\$ 16,377,665
Public Safety	5,052,323	5,687,000	6,196,660	7,101,534	7,589,067	7,429,713	8,634,600	9,403,212	10,062,483	13,309,320
Public Works	5,363,579	6,648,193	6,989,256	7,456,046	8,509,720	8,533,187	9,574,918	10,259,709	12,926,445	14,728,555
Culture and Recreation/ Community services	2,095,111	2,497,592	2,765,839	3,006,348	3,112,324	3,168,959	3,068,119	3,430,725	3,587,831	5,678,180
Term Debt	2,873,587	2,167,498	3,640,280	3,327,722	3,117,190	2,202,445	2,080,570	2,540,033	2,715,339	4,762,531
Other Debt Service Fees	(3,842)	492,049	151,273	20,425	3,150	2,700	-	-	432,200	-
Total Governmental Activities Expenses	\$ 21,320,029	\$ 24,758,327	\$ 26,492,559	\$ 28,121,580	\$ 29,380,124	\$ 29,329,807	\$ 31,584,596	\$ 36,397,304	\$ 43,147,097	\$ 54,856,251
Business-Type Activities:										
Water, Wastewater & Storm Drainage	\$ 10,340,478	\$ 10,728,373	\$ 10,524,295	\$ 11,249,332	\$ 13,210,150	\$ 15,191,799	\$ 16,012,674	\$ 20,022,666	\$ 22,580,843	\$ 26,951,960
Total Business-Type Activities Expenses	\$ 10,340,478	\$ 10,728,373	\$ 10,524,295	\$ 11,249,332	\$ 13,210,150	\$ 15,191,799	\$ 16,012,674	\$ 20,022,666	\$ 22,580,843	\$ 26,951,960
Total Primary Government Program Expenses	\$ 31,660,507	\$ 35,486,700	\$ 37,016,854	\$ 39,370,912	\$ 42,590,274	\$ 44,521,606	\$ 47,597,270	\$ 56,419,970	\$ 65,727,940	\$ 81,808,212
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 3,628,935	\$ 4,299,587	\$ 3,878,720	\$ 6,482,701	\$ 4,909,093	\$ 4,865,343	\$ 7,574,776	\$ 10,484,378	\$ 11,242,740	\$ 4,140,606
Public Safety	-	-	12,214	46,822	56,452	51,323	69,458	86,034	110,207	95,407
Public Works	163,715	62,544	630,368	373,322	3,757,258	3,666,559	4,169,638	5,852,304	7,935,125	6,672,415
Culture and Recreation/ Community Services	263,493	449,310	815,430	655,509	395,166	359,263	486,209	602,241	771,449	667,846
Operating Grants and Contributions	271,053	135,308	129,307	93,990	231,083	342,145	699,379	3,423,456	154,936	645,024
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	13,200,504
Total Governmental Activities Program Revenue	\$ 4,327,196	\$ 4,946,749	\$ 5,466,039	\$ 7,652,344	\$ 9,349,052	\$ 9,284,633	\$ 12,999,460	\$ 20,448,413	\$ 20,214,457	\$ 25,421,802
Business-Type Activities:										
Charges for Services:										
Water, Wastewater & Storm Drainage	\$ 15,523,262	\$ 16,226,692	\$ 17,675,893	\$ 10,189,754	\$ 10,833,153	\$ 11,117,332	\$ 22,055,944	\$ 27,494,502	\$ 30,286,608	\$ 32,745,845
Operating Grants and Contributions	-	-	-	-	-	-	3,988	-	2,000,000	1,560,000
Capital Grants and Contributions	1,563,847	3,509,187	1,717,379	9,934,823	14,337,952	6,812,529	18,188,905	17,391,414	26,213,366	47,275,110
Total Business-Type Activities Program Revenue	17,087,109	19,735,879	19,393,272	20,124,577	25,171,105	17,929,861	40,248,837	44,885,916	58,499,974	81,580,955
Total Primary Government Program Revenues	\$ 21,414,305	\$ 24,682,628	\$ 24,859,311	\$ 27,776,921	\$ 34,520,157	\$ 27,214,494	\$ 53,248,297	\$ 65,334,329	\$ 78,714,431	\$ 107,002,757

* GASB 34 implemented 2004

* Statement of Net Assets on Audit Report

* Reported as Net Position beginning 2013

**CITY OF KYLE, TEXAS
CHANGES IN NET POSITION
(Continued)
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NET (EXPENSE) REVENUES										
Governmental Activities	\$ (16,992,833)	\$ (19,811,577)	\$ (16,992,833)	\$ (20,469,236)	\$ (20,031,072)	\$ (20,045,179)	\$ (16,210,585)	\$ (15,948,891)	\$ (22,932,940)	\$ (29,434,450)
Business-Type Activities	6,746,631	9,007,506	6,746,631	16,486,927	19,942,672	2,738,062	24,236,163	24,863,250	35,919,131	54,628,995
Total Primary Government Net Expense	\$ (10,246,202)	\$ (10,804,071)	\$ (10,246,202)	\$ (3,982,309)	\$ (88,400)	\$ (17,307,117)	\$ 8,025,578	\$ 8,914,359	\$ 12,986,191	\$ 25,194,545
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes:										
Property	\$ 8,919,432	\$ 9,753,418	\$ 8,919,432	\$ 14,270,496	\$ 15,521,498	\$ 17,204,168	\$ 19,336,624	\$ 20,644,058	\$ 25,629,065	\$ 29,513,667
Sales Taxes	4,611,401	6,676,810	4,611,401	7,227,633	7,955,612	8,885,937	9,991,380	12,301,248	14,979,806	16,772,273
Occupancy Tax/ Other	200,753	244,065	200,753	281,996	421,490	508,867	335,852	529,112	789,522	3,470,034
Franchise Taxes	1,042,212	1,149,213	1,042,212	1,435,270	2,430,996	2,414,998	2,511,177	2,621,203	3,209,076	742,833
Grants and Contributions Not Restricted	9,241,337	9,182,145	9,241,337	2,959,602	7,517,365	2,856,412	5,157,700	9,440,632	10,147,595	451,998
Miscellaneous Revenue	1,391,064	1,495,354	1,391,064	383,362	-	-	2,374,550	54,579	259,075	5,239,498
Investment Earnings	19,761	27,734	19,761	33,427	1,220,859	2,165,517	914,674	250,420	950,162	9,997,708
Transfers In (Out)	2,011,505	1,359,611	2,011,505	1,551,446	1,864,400	(5,078,700)	1,677,467	10,920,018	874,002	1,598,314
Total Governmental Activities	\$ 27,437,465	\$ 29,888,350	\$ 27,437,465	\$ 28,143,232	\$ 36,932,220	\$ 28,957,199	\$ 42,299,424	\$ 56,761,270	\$ 56,838,303	\$ 67,786,325
Business-Type Activities:										
Investment Earnings	\$ 9,109	\$ 9,602	\$ 9,109	\$ 72,365	\$ 40,351	\$ -	\$ -	\$ -	\$ -	\$ 128,764
Miscellaneous Revenue	288,519	118,034	288,519	3,090,249	6,655,502	3,008,875	6,122,089	12,363,714	9,226,359	7,716,445
Transfers	(2,011,505)	(1,359,610)	(2,011,505)	(1,551,446)	(1,864,400)	5,078,700	(1,677,467)	(10,920,018)	(874,002)	(1,598,314)
Total Business-Type Activities	\$ (1,733,877)	\$ (1,231,974)	\$ (1,733,877)	\$ 1,611,168	\$ 4,831,453	\$ 8,087,575	\$ 4,444,622	\$ 1,443,696	\$ 8,352,357	\$ 6,246,895
Total Primary Government	\$ 25,703,588	\$ 28,656,376	\$ 25,703,588	\$ 29,754,400	\$ 41,763,673	\$ 37,044,774	\$ 46,744,046	\$ 58,204,966	\$ 65,190,660	\$ 74,033,220
CHANGE IN NET POSITION										
Governmental Activities	\$ 10,444,631	\$ 10,076,773	\$ 10,444,631	\$ 7,673,996	\$ 16,901,148	\$ 8,912,021	\$ 23,714,288	\$ 40,812,379	\$ 33,905,363	\$ 38,351,875
Business-Type Activities	5,012,753	7,775,532	5,012,753	18,098,095	24,774,125	19,728,432	28,680,785	26,306,946	44,271,488	60,875,890
Total Primary Government	\$ 15,457,384	\$ 17,852,305	\$ 15,457,384	\$ 25,772,091	\$ 41,675,273	\$ 28,640,453	\$ 52,395,073	\$ 67,119,325	\$ 78,176,851	\$ 99,227,765

* GASB 34 implemented 2004

* Statement of Activities - Audit Report

* Reported as Net Position beginning 2013

**CITY OF KYLE, TEXAS
FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 1,543	\$ 544	\$ 274	\$ -	\$ -	\$ 420	\$ 4,670	\$ 8,101	\$ 6,727	\$ 6,776
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	9,197,439	10,792,030	10,525,733	13,190,179	19,437,948	15,537,578	21,353,344	21,017,608	33,121,748	34,411,642
Total General Fund	\$ 9,198,982	\$ 10,792,574	\$ 10,526,007	\$ 13,190,179	\$ 19,437,948	\$ 15,537,998	\$ 21,358,014	\$ 21,025,709	\$ 33,128,475	\$ 34,418,418
All other governmental funds										
Nonspendable	\$ 9,911,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	34,866,424	364,948	364,948	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Restricted, reported in:										
Tourism and Other Funds	1,103,400	447,064	-	248,725	561,266	1,115,188	1,785,827	6,761,939	4,575,471	12,254,031
Capital Projects Funds	-	-	28,863,631	19,826,457	19,107,509	21,934,334	22,589,306	34,405,510	27,816,069	58,569,321
Debt Service Funds	-	-	1,085,907	1,966,892	3,473,852	357,755	1,773,177	3,484,744	2,301,407	638,892
Assigned	-	-	-	-	-	-	-	-	23,601,611	32,759,095
Unassigned	-	-	-	-	-	-	-	-	(2,674)	(6,200)
Total All Other Governmental Funds	\$ 11,015,157	\$ 35,313,488	\$ 30,314,486	\$ 22,407,022	\$ 23,142,627	\$ 23,407,277	\$ 26,148,310	\$ 44,652,193	\$ 58,291,884	\$ 104,215,139

CITY OF KYLE, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES										
Taxes	\$ 14,773,798	\$ 17,742,969	\$ 20,291,629	\$ 23,040,103	\$ 26,053,682	\$ 28,812,290	\$ 31,854,862	\$ 35,843,132	\$ 44,369,556	\$ 50,138,599
Licenses and Permits	1,133,789	1,364,274	1,288,899	1,853,819	1,427,924	1,373,768	3,207,094	5,267,211	6,755,537	5,658,326
Charges for Services	3,057,051	3,732,620	4,256,135	4,682,207	5,645,231	5,132,326	6,945,850	8,603,441	11,020,697	9,456,876
Fines	900,574	1,082,343	536,490	473,892	569,876	661,736	547,411	441,715	505,183	444,783
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Claims and Reimbursements	-	-	-	-	-	-	-	-	-	-
Impact Fees	-	-	-	-	-	-	-	-	-	-
Investment Earnings	19,761	27,734	162,331	383,362	1,220,859	2,165,517	914,674	250,420	950,162	9,997,708
Rents and Royalties	9,541	12,193	9,990	33,426	32,180	7,130	4,925	-	-	-
Contributions	270,600	157,900	57,000	73,526	130,555	61,326	2,796,315	35,050	234,983	452,000
Grants	271,054	135,309	134,307	93,990	231,084	342,145	699,379	3,423,456	154,636	645,023
Special Assessments	163,715	62,543	630,368	373,323	483,024	689,810	141,045	862,308	1,543,121	1,138,835
Other Revenues	182,537	52,822	222,085	175,114	959,734	1,077,719	1,043,956	1,815,232	251,774	354,865
Total Revenues	\$ 20,782,420	\$ 24,370,707	\$ 27,589,234	\$ 31,182,762	\$ 36,754,149	\$ 40,323,767	\$ 48,155,511	\$ 56,541,965	\$ 65,785,649	\$ 78,287,015
EXPENDITURES										
General Government	\$ 4,775,580	\$ 7,945,084	\$ 6,619,422	\$ 7,070,047	\$ 7,114,113	\$ 7,032,364	\$ 8,147,068	\$ 11,177,195	\$ 12,488,353	\$ 15,391,528
Public Safety	4,688,313	5,301,677	5,779,585	6,680,928	6,594,076	7,206,296	8,317,879	9,113,231	10,055,064	12,475,466
Public Works	2,516,122	3,190,093	3,268,313	3,546,183	4,217,587	3,959,939	4,932,406	5,285,141	7,208,199	8,184,222
Transportation	-	-	-	-	-	-	-	-	3,147,558	-
Culture and Recreation	1,759,972	2,080,956	2,360,247	2,541,596	2,630,338	2,721,830	2,611,550	2,968,748	-	4,948,878
Other - Non Departmental	-	-	-	-	-	-	-	-	38,144,310	-
Capital Outlay	3,824,684	6,098,985	9,574,476	10,403,129	3,189,782	9,807,190	9,004,413	12,615,629	-	32,086,730
Debt Service	-	-	-	-	-	-	-	-	-	-
Interest	2,907,943	2,212,231	3,894,605	3,258,430	5,045,000	2,931,468	2,740,068	2,520,523	2,349,040	4,208,880
Principal	2,735,000	3,490,000	4,400,000	4,879,999	3,115,730	5,235,000	5,430,000	5,610,001	5,908,037	11,540,465
Other Debt Service	(3,842)	492,049	151,273	20,425	3,150	2,700	88,095	-	432,200	526,481
Total Expenditures	\$ 23,203,772	\$ 30,811,075	\$ 36,047,921	\$ 38,400,737	\$ 31,909,776	\$ 38,896,787	\$ 41,271,479	\$ 49,290,468	\$ 79,732,761	\$ 89,362,650

CITY OF KYLE, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(Continued)
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (2,421,351)	\$ (6,440,401)	\$ (8,458,687)	\$ (7,217,975)	\$ 4,844,373	\$ 1,426,976	\$ 6,884,032	\$ 7,251,497	\$ (13,947,112)	\$ (11,075,635)
OTHER FINANCING SOURCES (USES)										
Bond Issuance Costs	\$ 1,875,000	\$ 49,665,000	\$ 8,520,000	\$ -	\$ -	\$ -	\$ -	\$ 4,175,000	\$ 35,570,000	\$ 49,840,000
Bond sales	-	-	-	-	-	-	-	-	-	-
Proceeds from Capital Leases	72,641	3,795,604	1,048,867	-	-	-	-	454,620	255,595	6,089,085
Premium or Discount on Debt Issued	-	(22,487,886)	(9,418,419)	-	-	-	-	-	2,993,973	-
Payment to Refunded Bond Escrow Agent	4,429,076	4,285,338	8,482,551	5,003,297	5,374,432	13,224,210	10,956,813	32,864,683	12,496,078	18,891,418
Transfers In	(2,417,571)	(2,925,727)	(5,439,881)	(3,451,851)	(3,510,032)	(18,302,910)	(9,279,346)	(21,944,665)	(11,622,076)	(17,293,104)
Transfers Out	-	-	-	-	-	-	-	(4,629,620)	-	757,434
Other Sources - Leases	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ 3,959,146	\$ 32,332,329	\$ 3,193,118	\$ 1,551,446	\$ 1,864,400	\$ (5,078,700)	\$ 1,677,467	\$ 10,920,018	\$ 39,693,570	\$ 58,284,833
NET CHANGES IN FUND BALANCES	\$ 1,537,795	\$ 25,891,928	\$ (5,265,569)	\$ (5,666,529)	\$ 6,708,773	\$ (3,651,724)	\$ 8,561,499	\$ 18,171,515	\$ 25,746,458	\$ 47,209,198
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	26%	23%	31%	29%	28%	28%	25%	22%	20%	28%

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

FISCAL YEAR	Real Property		Personal Property		Less: Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Tax Collected
	Estimated Actual Value	Estimated Actual Value	Estimated Actual Value	Estimated Actual Value				
2014	\$ 1,628,227,793	\$ 99,641,364	\$ 227,393,506	\$ 1,500,475,651	\$ 0.548300	\$ 8,227,108		
2015	\$ 1,806,482,931	\$ 107,149,372	\$ 273,333,638	\$ 1,640,298,665	\$ 0.548300	\$ 8,993,758		
2016	\$ 2,091,111,878	\$ 117,752,483	\$ 261,882,926	\$ 1,946,981,435	\$ 0.584800	\$ 11,385,947		
2017	\$ 2,425,335,695	\$ 136,504,189	\$ 338,955,635	\$ 2,283,013,455	\$ 0.574800	\$ 13,122,761		
2018	\$ 3,122,139,551	\$ 131,875,391	\$ 263,434,455	\$ 2,990,580,487	\$ 0.541600	\$ 16,196,984		
2019	\$ 3,652,264,883	\$ 155,703,263	\$ 442,344,383	\$ 3,365,623,763	\$ 0.541600	\$ 18,228,218		
2020	\$ 4,050,053,427	\$ 155,517,275	\$ 527,884,624	\$ 3,677,686,078	\$ 0.520100	\$ 19,127,645		
2021	\$ 4,716,478,480	\$ 168,304,962	\$ 632,612,821	\$ 4,252,170,621	\$ 0.520100	\$ 22,115,539		
2022	\$ 5,524,182,208	\$ 179,267,895	\$ 410,556,687	\$ 5,292,893,416	\$ 0.508200	\$ 26,898,484		
2023	\$ 7,024,718,657	\$ 204,482,185	\$ 946,027,424	\$ 6,283,173,418	\$ 0.508200	\$ 31,931,087		

**CITY OF KYLE, TEXAS
WATER UTILITY RATE COMPARISON
LAST TEN FISCAL YEARS**

Fiscal Year	Residential (5/8" and 3/4")		Multi-Family/ Commercial (2")		Irrigation (1 1/2")		Construction (3")	
	Base Charge	1000 gallon	Base Charge	1000 gallon	Base Charge	1000 gallon	Charge	1000 gallon
2014	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.27	\$ 265.75	\$ 7.94
2015	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.27	\$ 265.75	\$ 7.94
2016	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.27	\$ 265.75	\$ 7.94
2017	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.27	\$ 265.75	\$ 7.94
2018	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.27	\$ 265.75	\$ 7.94
2019	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.27	\$ 265.75	\$ 7.94
2020	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.24	\$ 265.75	\$ 7.94
2021	\$ 36.55	\$ 4.84	\$ 182.71	\$ 8.73	\$ 91.34	\$ 10.20	\$ 292.33	\$ 8.73
2022	\$ 36.55	\$ 4.84	\$ 182.71	\$ 8.73	\$ 91.34	\$ 10.20	\$ 292.33	\$ 8.73
2023	\$ 36.55	\$ 4.84	\$ 182.71	\$ 8.73	\$ 91.34	\$ 10.20	\$ 292.33	\$ 8.73

CITY OF KYLE, TEXAS
WATER UTILITY
ANNUAL BILLED AMOUNT COMPARISON
LAST TEN FISCAL YEARS

Fiscal Year	Residential	Commercial	Total Billed
2014	\$ 2,683,000	\$ 1,625,286	\$ 4,308,286
2015	\$ 2,620,354	\$ 1,305,255	\$ 3,925,610
2016	\$ 2,709,726	\$ 1,548,330	\$ 4,258,056
2017	\$ 2,784,796	\$ 1,650,374	\$ 4,435,170
2018	\$ 3,033,638	\$ 3,694,795	\$ 6,728,433
2019	\$ 2,962,881	\$ 2,941,825	\$ 5,904,706
2020	\$ 3,565,408	\$ 3,609,133	\$ 7,174,541
2021	\$ 3,796,680	\$ 4,231,880	\$ 8,028,561
2022	\$ 4,901,250	\$ 5,408,981	\$ 10,310,231
2023	\$ 5,410,705	\$ 5,088,353	\$ 10,499,058

CITY OF KYLE, TEXAS
WATER UTILITY
TOTAL BILLED CONSUMPTION COMPARISON
LAST TEN FISCAL YEARS
(Totals in Gallons)

Fiscal Year	Residential	Commercial	Total Billed Consumption
2014	511,808,500	189,038,400	700,846,900
2015	495,135,628	164,364,300	659,499,928
2016	525,859,900	180,930,600	706,790,500
2017	540,212,800	207,635,700	747,848,500
2018	579,876,700	535,422,400	1,115,299,100
2019	565,397,700	353,834,700	919,232,400
2020	659,174,000	432,567,500	1,091,741,500
2021	647,476,165	463,485,900	1,110,962,065
2022	749,721,998	556,611,896	1,306,333,894
2023	805,930,980	535,694,239	1,341,625,219

**CITY OF KYLE, TEXAS
WASTEWATER UTILITY RATE COMPARISON
LAST TEN FISCAL YEARS**

Fiscal Year	Residential		Multi-Family/ Commercial	
	Base Charge	Wastewater per 1000 gallon	Base Charge	Wastewater per 1000 gallon
2014	\$ 17.99	\$ 3.48	\$ 17.99	\$ 3.93
2015	\$ 17.99	\$ 3.48	\$ 17.99	\$ 3.93
2016	\$ 17.99	\$ 3.48	\$ 17.99	\$ 3.93
2017	\$ 17.99	\$ 3.48	\$ 17.99	\$ 3.93
2018	\$ 17.99	\$ 3.48	\$ 17.99	\$ 3.93
2019	\$ 19.79	\$ 3.83	\$ 19.79	\$ 4.32
2020	\$ 19.79	\$ 3.83	\$ 19.79	\$ 4.32
2021	\$ 21.77	\$ 4.21	\$ 21.77	\$ 4.76
2022	\$ 21.77	\$ 4.21	\$ 21.77	\$ 4.76
2023	\$ 21.77	\$ 4.21	\$ 21.77	\$ 4.76

**CITY OF KYLE, TEXAS
WASTEWATER UTILITY
ANNUAL BILLED AMOUNT COMPARISON
LAST TEN FISCAL YEARS**

Fiscal Year	Residential	Commercial	Total Billed
2014	\$ 2,571,502	\$ 675,661	\$ 3,247,163
2015	\$ 2,673,836	\$ 556,597	\$ 3,230,432
2016	\$ 2,939,865	\$ 633,991	\$ 3,573,856
2017	\$ 3,046,286	\$ 647,438	\$ 3,693,724
2018	\$ 3,076,463	\$ 957,395	\$ 4,033,858
2019	\$ 3,559,088	\$ 1,200,333	\$ 4,759,421
2020	\$ 3,921,194	\$ 1,252,382	\$ 5,173,576
2021	\$ 4,789,052	\$ 1,530,850	\$ 6,319,903
2022	\$ 5,283,033	\$ 1,849,616	\$ 7,132,649
2023	\$ 5,497,160	\$ 1,939,542	\$ 7,436,702

Sources: Billed Consumption Report, City of Kyle Utility Billing
Service Summary Report, City of Kyle Utility Billing

**CITY OF KYLE, TEXAS
TEN LARGEST WATER CUSTOMERS**

Customer	Consumption (in gallons)	Amount Billed	% of Total Consumption
KYLE CORRECTIONAL CENTER	25,644,100	\$ 237,208	1.94%
SETON MEDICAL CENTER- HAYS	18,798,900	\$ 173,890	1.42%
ALSCO CORPORATION	18,681,400	\$ 172,803	1.41%
KYLE DACY APARTMENTS LTD	15,639,900	\$ 144,669	1.18%
PLUM CREEK APARTMENTS LP	12,274,800	\$ 113,542	0.93%
KYLE BLUEBONNET MHC, LLC	11,967,000	\$ 110,695	0.90%
828 BEBEE ROAD KYLE TX LLC	11,439,700	\$ 105,817	0.86%
AUSTIN COMMUNITY COLLEGE	8,902,400	\$ 88,164	0.67%
PLUM CREEK APARTMENTS LLC	8,904,900	\$ 82,370	0.67%
WALMART #01-4130	7,224,800	\$ 78,100	0.55%

CITY OF KYLE, TEXAS
SALES TAX COLLECTIONS BY MONTH
LAST TEN FISCAL YEARS

Fiscal Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
2014	\$ 306,735	\$ 439,337	\$ 321,293	\$ 334,830	\$ 492,820	\$ 299,643	\$ 320,355	\$ 505,339	\$ 405,019	\$ 315,129	\$ 496,713	\$ 374,188	\$ 5,016,420
2015	\$ 362,331	\$ 521,872	\$ 416,690	\$ 387,232	\$ 597,254	\$ 383,110	\$ 338,851	\$ 576,976	\$ 493,472	\$ 446,136	\$ 642,442	\$ 485,237	\$ 5,651,604
2016	\$ 424,152	\$ 601,054	\$ 450,182	\$ 477,871	\$ 722,526	\$ 448,593	\$ 444,310	\$ 661,516	\$ 506,314	\$ 508,767	\$ 653,235	\$ 519,583	\$ 6,418,103
2017	\$ 491,669	\$ 655,907	\$ 515,743	\$ 536,291	\$ 746,924	\$ 510,619	\$ 490,365	\$ 695,240	\$ 568,871	\$ 564,812	\$ 701,981	\$ 629,767	\$ 7,108,190
2018	\$ 556,684	\$ 710,336	\$ 602,893	\$ 618,416	\$ 783,687	\$ 547,964	\$ 519,729	\$ 774,628	\$ 611,531	\$ 640,777	\$ 786,619	\$ 647,441	\$ 7,800,705
2019	\$ 618,822	\$ 803,104	\$ 737,462	\$ 598,596	\$ 860,520	\$ 596,816	\$ 661,431	\$ 765,828	\$ 715,225	\$ 726,804	\$ 813,732	\$ 792,205	\$ 8,690,545
2020	\$ 721,982	\$ 895,337	\$ 743,864	\$ 728,242	\$ 1,011,001	\$ 685,573	\$ 634,908	\$ 870,437	\$ 769,766	\$ 833,945	\$ 1,013,491	\$ 826,925	\$ 9,735,471
2021	\$ 805,948	\$ 1,067,279	\$ 841,819	\$ 870,834	\$ 1,145,110	\$ 859,596	\$ 732,787	\$ 1,208,327	\$ 1,041,880	\$ 1,007,621	\$ 1,204,975	\$ 1,031,882	\$ 11,818,057
2022	\$ 988,828	\$ 1,367,589	\$ 1,018,912	\$ 1,096,244	\$ 1,444,853	\$ 1,085,149	\$ 995,369	\$ 1,455,083	\$ 1,213,710	\$ 1,242,159	\$ 1,478,068	\$ 1,294,045	\$ 14,680,011
2023	\$ 1,160,979	\$ 1,495,234	\$ 1,306,962	\$ 1,285,130	\$ 1,590,718	\$ 1,184,860	\$ 1,141,676	\$ 1,524,179	\$ 1,320,473	\$ 1,441,508	\$ 1,562,811	\$ 1,757,743	\$ 16,772,273

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

Fiscal Year	City Direct Rates			Overlapping Rates							Total Direct & Overlapping Rate
	Operating	Debt Service	Total	School District	County	Special Road	Emergency Services	ACC	Plum Creek Conservation	Plum Creek Groundwater	
2014	0.270300	0.278000	0.548300	1.461300	0.425100	0.044000	0.100000	0.094800	0.020000	0.020000	2.713500
2015	0.260300	0.278000	0.538300	1.461300	0.425200	0.043800	0.100000	0.094900	0.022000	0.022000	2.707500
2016	0.230600	0.354200	0.584800	1.537700	0.425200	0.043800	0.100000	0.094200	0.220000	0.022000	3.027700
2017	0.239500	0.335300	0.574800	1.537700	0.423200	0.043800	0.100000	0.100500	0.022500	0.021500	2.824000
2018	0.254800	0.286800	0.541600	1.537700	0.401200	0.043800	0.100000	0.100800	0.023200	0.021400	2.769700
2019	0.288300	0.253300	0.541600	1.537700	0.389900	0.043800	0.100000	0.104800	0.023200	0.021400	2.762400
2020	0.315400	0.226200	0.541600	1.467700	0.389900	0.033800	0.108700	0.104900	0.022500	0.020700	2.689800
2021	0.325600	0.194500	0.520100	1.359700	0.362900	0.023800	0.100000	0.104800	0.020500	0.020800	2.512600
2022	0.330200	0.178000	0.508200	1.342300	0.295000	0.017500	0.100000	0.098700	0.016200	0.015900	2.393800
2023	0.296600	0.211600	0.508200	1.156900	0.287500	0.020000	0.100000	0.098600	0.014500	0.014500	2.200200

**CITY OF KYLE, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND FIVE YEARS AGO**

2023		2018	
Taxpayer	Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
YARRINGTON LOGISTICS OWNER LP	\$ 74,253,669		1.06%
SIMWON NA, CORP.	\$ 57,932,053		0.83%
IVT KYLE MARKETPLACE 1031 LLC	\$ 52,594,184		0.75%
PLUM CREEK APARTMENTS LP	\$ 52,000,000		0.74%
CROMWELL APC I LLC, CROMWELL APC II LI	\$ 45,545,551		0.65%
828 BEBEE ROAD KYLE TX LLC	\$ 44,959,708		0.64%
LAUREN CO AIDAN SPE LLC	\$ 41,445,803		0.59%
GREY FOREST DEVELOPMENT LLC	\$ 39,791,928		0.57%
REEF TX KYLE CROSSING LLC	\$ 39,035,570		0.56%
PLUM CREEK APARTMENTS LP	\$ 38,868,539		0.56%
Total	<u>\$ 486,427,005</u>		<u>6.96%</u>
2018			
Taxpayer	Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
SETTLEMENT BRES LLC	\$ 31,869,877		1.03%
IVT KYLE MARKETPLACE 1031 LLC	\$ 30,955,991		1.00%
AM KYLE LLC	\$ 24,700,000		0.80%
OAKS ON MARKETPLACE LP	\$ 24,295,858		0.79%
MADRONE VENTURES LLC	\$ 24,250,000		0.79%
OAKS OF KYLE ICG LLC	\$ 22,946,292		0.74%
RVT KYLE CROSSING LLC	\$ 22,090,448		0.72%
HAYS JUNCTION PHASE I LLC	\$ 19,962,363		0.65%
MREF II PLUM CREEK LLC	\$ 18,369,830		0.60%
STRAND KYLE HOLDINGS LLC	\$ 14,617,781		0.47%
Total	<u>\$ 234,058,440</u>		<u>7.59%</u>

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

Fiscal Year Ended	Taxes Levied for the Fiscal year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 8,468,076.05	\$ 8,418,435.10	99.41%	\$ 17,021.64	\$ 8,435,456.74	99.61%
2015	\$ 9,112,282.80	\$ 9,064,585.82	99.48%	\$ 6,301.96	\$ 9,070,887.78	99.55%
2016	\$ 11,834,067.14	\$ 11,764,070.36	99.41%	\$ 11,475.29	\$ 11,775,545.65	99.51%
2017	\$ 13,470,082.98	\$ 13,407,982.47	99.54%	\$ 140,136.95	\$ 13,548,119.42	100.58%
2018	\$ 14,654,646.26	\$ 14,584,039.00	99.52%	\$ 16,943.03	\$ 14,600,982.03	99.63%
2019	\$ 16,250,638.60	\$ 16,161,867.81	99.45%	\$ 26,125.83	\$ 16,187,993.64	99.61%
2020	\$ 18,235,397.55	\$ 18,055,372.72	99.01%	\$ 117,511.60	\$ 18,172,884.32	99.66%
2021	\$ 19,288,913.87	\$ 19,200,267.31	99.54%	\$ 30,772.18	\$ 19,231,039.49	99.70%
2022	\$ 21,541,593.26	\$ 21,432,046.88	99.49%	\$ 25,137.77	\$ 21,457,184.65	99.61%
2023	\$ 27,430,411.42	\$ 27,294,679.02	99.51%	\$ 29,568.46	\$ 27,324,247.48	99.61%

Source: City of Kyle Internal Reports

Note: Subsequent years includes penalties

CITY OF KYLE, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities			Total	
	Certificates of Obligation	General Obligation Bonds	Capital Leases	Tax Increment Revenue Bonds	Certificates of Obligation	Capital Leases	Total Primary Government	Per Capita
2014	\$ 34,150,000	\$ 35,540,000	\$ -	\$ -	\$ -	\$ 2,952,895	\$ 72,642,895	\$ 2,136.56
2015	\$ 11,750,000	\$ 83,605,000	\$ -	\$ -	\$ -	\$ 2,850,115	\$ 98,205,115	\$ 2,888.39
2016	\$ 6,860,000	\$ 83,595,000	\$ -	\$ -	\$ -	\$ 2,650,491	\$ 93,105,491	\$ 2,738.40
2017	\$ 5,215,000	\$ 80,360,000	\$ -	\$ -	\$ -	\$ -	\$ 85,575,000	\$ 2,171.95
2018	\$ 4,045,000	\$ 76,485,000	\$ -	\$ -	\$ -	\$ -	\$ 80,530,000	\$ 1,854.80
2019	\$ 3,560,000	\$ 71,735,000	\$ -	\$ -	\$ -	\$ -	\$ 75,295,000	\$ 1,585.16
2020	\$ 3,050,000	\$ 66,805,000	\$ -	\$ -	\$ 28,330,000	\$ -	\$ 98,185,000	\$ 1,876.37
2021	\$ -	\$ 63,840,000	\$ -	\$ -	\$ 27,990,000	\$ -	\$ 91,830,000	\$ 1,625.31
2022	\$ -	\$ 93,920,000	\$ 953,099	\$ -	\$ 27,485,000	\$ 382,420	\$ 122,740,519	\$ 2,172.40
2023	\$ -	\$ 134,496,543	\$ 1,135,065	\$ 8,265,000	\$ 32,188,760	\$ 400,326	\$ 176,485,694	\$ 3,123.64

CITY OF KYLE, TEXAS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding		
	Gross Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2014	\$ 69,690,000	4.86%	\$ 2,049.71
2015	\$ 95,355,000	6.65%	\$ 2,804.56
2016	\$ 90,455,000	6.31%	\$ 2,660.44
2017	\$ 85,575,000	5.97%	\$ 2,171.95
2018	\$ 80,530,000	2.69%	\$ 1,854.80
2019	\$ 75,295,000	2.38%	\$ 1,585.16
2020	\$ 98,185,000	2.67%	\$ 1,876.37
2021	\$ 91,830,000	2.16%	\$ 1,625.31
2022	\$ 121,405,000	2.29%	\$ 2,148.76
2023	\$ 159,745,000	2.54%	\$ 2,827.35

**CITY OF KYLE, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	\$	6,283,173,418
Debt limit (6% of assessed value)	\$	376,990,405
Debt applicable to limit:		
Total Bonded Debt	\$	164,615,102
Less: Amount set aside for repayment of general obligation debt		
Total net debt applicable to limit	\$	164,615,102
Legal debt margin	\$	212,375,303

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 90,028,539	\$ 189,622,540	\$ 116,818,886	\$ 136,980,807	\$ 179,434,829	\$ 189,622,540	\$ 220,661,165	\$ 255,130,237	\$ 286,495,870	\$ 376,990,405
Net Debt Applicable to Limit	\$ 68,260,000	\$ 70,765,000	\$ 88,035,000	\$ 81,700,000	\$ 75,780,000	\$ 70,765,000	\$ 91,875,000	\$ 85,835,000	\$ 121,405,000	\$ 164,615,102
Legal Debt Margin	\$ 21,768,539	\$ 118,857,540	\$ 28,783,886	\$ 55,280,807	\$ 103,654,829	\$ 118,857,540	\$ 128,786,165	\$ 169,295,237	\$ 165,090,870	\$ 212,375,303
Net Debt as a % of Debt Limit	76%	37%	75%	60%	42%	37%	42%	34%	42%	44%

Note: Assessed Value is City Limits only. TIRZ not included. The City adopted a formal Debt Management Policy in FY 2010.

Source: Debt Service Fund Balance Sheet (Governmental Funds Balance Sheet)
Gross Bonded Debt
Assessed Value - Taxable Value

**CITY OF KYLE, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Median Household Income	Unemployment Rate
2014	33,500	\$ 71,063	5.4%
2015	34,413	\$ 77,406	2.5%
2016	36,800	\$ 77,406	2.5%
2017	39,400	\$ 82,872	3.3%
2018	43,417	\$ 82,872	2.9%
2019	47,500	\$ 82,872	3.0%
2020	52,327	\$ 82,872	3.2%
2021	55,600	\$ 84,458	3.2%
2022	56,500	\$ 84,458	3.2%
2023	58,450	\$ 105,417	2.7%

Sources: Unemployment Rates: <http://www.tracer2.com/cgi/dataAnalysis/LabForceReport>;
Population: <http://kyleed.com/community-profile/population>

**CITY OF KYLE, TEXAS
PRINCIPAL EMPLOYERS
CURRENT**

Employer	2023	
	Employees	Percentage of Total City Employment
Hays County Independent School District	3,258	15.66%
Seton Medical Center Hays	750	3.60%
Amazon	700	12.76%
HEB Plus*		0.00%
City of Kyle	349	1.68%
Lowes	100	0.48%
PAM Health Rehabilitation Hospital of Kyle		0.00%
Home Depot	100	0.48%
Austin Community College at Hays	80	0.38%
Plastikon	65	0.31%
SIMWON	38	0.18%
ENF	25	0.12%
FedEx	20	0.10%
Total	5,485	35.76%
Total Employed within Kyle, Texas	20,809	

CITY OF KYLE, TEXAS
FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Administration	5.00	7.00	7.00	7.00	6.00	7.00	8.00	13.00	14.00	14.50
Communications	0.00	0.00	0.00	0.00	0.00	3.00	5.00	5.00	4.00	5.00
Human Resources	3.50	2.50	2.50	2.50	2.50	3.00	3.00	3.50	4.00	4.00
Finance	6.50	6.50	6.50	6.50	6.50	8.00	8.00	7.50	8.75	11.84
Municipal Court	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
IT	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	6.00	6.00
Planning	3.00	3.00	3.00	4.00	4.00	4.00	5.00	6.00	6.00	6.00
Economic Development	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Building	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00	8.00	9.00
Street Department	6.00	12.50	12.50	15.38	15.38	20.00	23.00	31.13	30.88	32.88
Facilities	4.00	4.00	4.00	4.00	4.00	5.00	5.00	19.00	25.00	29.00
Maintenance/ES&T										
Police										
Administration	14.50	17.50	17.50	17.50	17.00	20.00	25.00	39.00	34.00	33.00
Operations	38.50	56.00	58.00	58.00	60.00	60.00	62.00	62.00	87.00	91.00
Public Works										
Administration	8.00	8.50	8.50	9.82	11.14	7.00	7.00	11.32	12.32	12.82
Water	12.50	12.50	12.50	12.90	12.90	15.00	15.00	17.90	19.00	21.23
Wastewater	5.50	10.50	10.50	10.90	10.90	12.00	12.00	12.90	16.90	26.57
Storm Drainage	0.00	0.00	0.00	11.00	12.18	14.00	14.00	6.75	10.90	11.50
Engineering	0.50	4.00	4.00	3.00	3.50	4.00	5.00	8.00	9.75	12.00
Parks and Recreation										
Administration	4.50	5.50	6.00	6.00	6.00	6.00	6.00	7.00	8.00	12.00
Parks Maintenance	12.00	14.00	14.00	12.00	12.00	14.00	14.00	16.00	21.00	21.00
Library	7.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	12.00
Utility Billing	7.00	7.00	7.00	8.00	9.00	9.00	9.00	9.00	16.50	16.66
Total	154.00	198.00	200.50	215.50	221.00	240.00	256.00	305.00	360.00	395.00

Source: City of Kyle
Note: Does not include Mayor Council

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

Function Program	Fiscal Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Building permits issued	537	635	684	777	643	618	1,246	1,621	1,651	1,181
Police										
Violations	10,111	5,447	3,345	5,225	5,609	5,805	6,007	6,239	6,553	4,073
Citations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other Public Works										
Street resurfacing (miles)	10	2	3	17	0.62	0.00	0.00	20.19	24.50	17.63
Potholes repaired	1,053	2,007	3,253	2,752	5,359	1,915	1,285	1,321	843	403
Street Sweeping - Miles	1,970	2,308	1,619	2,132	1,523	4,002	4,148	6,300	2,979	4,500
Parks and Recreation										
Facility Rental Bookings (Guests)	45,602	52,447	52,533	16,415	37,002	40,339	4,803	7,520	7,122	10,363
Summer Camp	5,800	4,675	4,285	5,170	3,325	3,565	900	3,445	3,150	2,800
Pool (patron count)	37,000	41,813	31,852	28,126	41,141	10,751	0	2,845	1,569	20,000
Library										
Circulation Count	155,860	165,175	188,222	191,275	214,419	232,035	131,648	114,519	171,825	203,310
Patron Count	133,154	138,458	139,501	153,998	158,378	160,381	70,503	48,248	58,958	71,705
Library Cards Issued	3,200	2,784	2,837	2,952	3,049	2,789	1,653	2,133	2,682	3,207
Water										
New Connections	2,773	3,024	2,276	3,167	3,083	3,064	2,405	3,620	4,150	4,813
Water leaks	126	108	99	78	53	71	38	39	66	49
Average Daily Consumption (millions of gallons)	1.9200	2.4190	2.5920	2.2522	2.4261	2.5242	3.2049	3.5170	4.0810	4.1594
Wastewater										
Average Daily Sewage Treatment (millions of gallons)	1.6950	2.3000	2.4570	2.4590	2.3649	2.7861	2.6780	2.8510	3.2050	3.6660

Source: City of Kyle
 Departmental Reports, City of Kyle

Note: New Connections are by Calendar Year not Fiscal Year

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

Function Program	Fiscal Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations/ Sub-Stations	2	2	2	2	2	2	1	1	1	1
Patrol Units	27	21	21	20	22	27	27	28	27	24
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Parks and Recreation										
Acres	577	612	612	612	612	677	543	543	553	568
Streets										
Streets - Linear Feet	623,170	641,396	739,493	796,818	835,430	840,343	883,632	909,902	954,932	984,447
Water										
Fire Hydrants	905	936	993	1093	1,137	1,196	1,294	1,390	1,509	1,745
New Water Lines - Linear Feet	9,963	16,950	28,080	37,045	21,740	24,695	31,030	14,678	56,270	125,294
Ground Water Storage	8	8	8	8	8	8	8	8	10	10
Elevated Water Storage	6	6	6	6	6	6	6	6	6	6
Wastewater										
New Wastewater Lines - Linear Ft	13,286	16,127	15,799	41,340	39,348	30,855	65,465	34,531	79,310	111,197
New Storm Sewers (miles)	7,334	13,573	9,610	21,964	31,450	17,786	22,317	26,717	28,040	83,160
Lift Stations	9	11	11	13	13	14	15	15	16	18
Treatment Capacity (millions of gallons)	3	3	3	3	3	3	3	3	5	5

