

Town of Fairview, TX

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2023





VISION

Fairview, a premier place to live and work with a unique and vibrant quality of life.

MISSION

Fairview:

- Promotes high quality economic and community development,
- Embraces the natural features of the community,
- Maintains open community communication, and
- Delivers efficient, quality municipal services with a professional, well trained work force, for the benefit of residents, businesses and visitors.

FOCUS AREAS

Infrastructure, Public Safety, Economic and Community Development, Community Engagement and Fiscal Responsibility.

CORE VALUES

Integrity, Caring, Responsive, Innovation, Trust, Excellence

Integrity - We deal honestly and respectfully with each other and the public at all times. We conduct ourselves in a manner that is ethical, legal and professional, with the highest degree of honesty, respect and fairness.

Caring – We care about the wellbeing of our employees, residents, and visitors. This is demonstrated in our interactions with citizens and customers and our commitment to our employees.

Responsive – We engage our community, with a focus on listening to and supporting their needs, and delivering high quality, efficient services.

Trust - We strive to be worthy of the community's trust. Providing effective and equitable solutions to citizens' needs, and building a culture that is developed through the open exchange of ideas, hard work and strong teamwork all contribute to building that trust.

Innovation – We value progressive thinking, creativity, flexibility and adaptability in service delivery. We develop creative solutions as a team and share leading practices that enhance the value of services provided for our community.

Excellence - Our work is characterized by its quality and by the diligence with which it is carried out. We proactively seek to solve problems in advance. We promote openness and transparency in our operations ensuring that we are accountable for our actions at all times.

Town of Fairview, Texas
Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2023

As Prepared by the
Finance Department



Town of Fairview, Texas
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended September 30, 2023
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Introductory Section





372 Town Place • Fairview, TX 75069 • Town Hall 972-562-0522

March 26, 2024

To the Honorable Mayor,
Members of the Town Council,
and the Citizens of the Town of Fairview, Texas:

The Town of Fairview Finance Department is pleased to submit the Annual Comprehensive Financial Report (Annual Report) for the fiscal year ending September 30, 2023. The Town's Finance Department has prepared the Report and is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. We believe that the Town's current system of internal controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed data is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Also included in this report is an unmodified (clean) opinion on the Town of Fairview's financial statements for the year ended September 30, 2023 issued by Weaver, L.L.P. The independent auditors' report is located in the beginning of the financial section of the Annual Report.

The Reporting Entity

This report includes all funds of the Town including its component units. The Town's component units are legally separate entities for which the Town is financially accountable but are not part of the Town's operations. The Town's discretely presented component units are:

- Fairview Economic Development Corporation
- Fairview Community Development Corporation

The Town also has one blended component unit, for which the Town appoints the majority of the board and approves all projects and financing plans. The component unit is a special revenue fund in the Town's financial statements. The Town's blended component unit is:

- Tax Increment Reinvestment Zone (TIRZ)

The Report

The Annual Comprehensive Financial Report is presented in three sections: introductory, financial, and statistical. The Introductory Section includes this transmittal letter, the Town's organizational chart, a list of principal officials and staff, and the Government Finance Officers Association of the United States and Canada's (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

The Financial Section is prepared in accordance with Generally Accepted Accounting Principles (GAAP). This section of the Annual Report includes the Management's Discussion and Analysis (MD&A) which can be found immediately following the independent auditor report, the basic financial statements and combining and individual fund statements and schedules. This section also includes the required supplementary information.

GAAP requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The basic financial statements include the government-wide financial statements that present an overview of the Town's entire operations, while the fund level statement present the financial information of each of the Town's major funds as well as non-major funds.

This Annual Comprehensive Financial Report concludes with the Statistical Section, which includes financial and demographic information, usually presented on a multi-year basis to give users a perspective of the Town's performance over a number of years.

Profile of the Government

The Town of Fairview was incorporated in 1958. The Town is located in Collin County and is approximately 27 miles north of downtown Dallas on US Highway 75. It occupies 9.2 square miles and serves a population of approximately 10,952. The Town is empowered to levy a property tax on both real and personal property located within its boundaries.

The Town of Fairview has operated under the council-manager form of government since 2006, when the home rule charter was adopted. Policy making and legislative authority is vested in the Town Council, which consists of a Mayor and six Councilmembers, all elected at large to two-year staggered terms. The Council appoints the Town's Manager, who in turn appoints the heads of the various departments and is responsible for the day-to-day operations of the Town.

The Town of Fairview provides a full range of services, including police, fire and emergency medical services; the construction and maintenance of streets and other infrastructure; planning and zoning, parks and recreation, general administrative services and public utilities. The Town's utilities include water and sewer, sanitation, and drainage services. The North Texas Municipal Water District ("NTMWD") provides water and sewer treatment for the Town on a "take-or-pay" basis; and Republic Services provides solid waste collection. The Town's drainage utility operates to mitigate drainage and environmental hazards and is self-supporting with fees billed monthly to all residential and commercial customers.

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the Town of Fairview financial planning and control. The budget is prepared by fund and department.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when considered from the broader perspective of the specific environment within which the Town of Fairview operates.

Local Economy

The Town of Fairview is situated in the Dallas/Ft. Worth Consolidated Metropolitan Statistical Area and is located in Collin County. Until 2006 the Town was primarily a bedroom community. In 2006 the Town entered into an agreement with the Herring Group that, over the next several years, brought 900,000 square feet of new shopping, dining and entertainment space with the development of the Villages of Fairview ("Villages"). The Villages includes three anchor stores, Macy's, J C Penney's, and Dillard's, along with multiple restaurants, smaller retailers, and entertainment venues. In fiscal year 2008 sales taxes represented 6.3% of the General Fund budget. In fiscal year 2023 that had increased to 16%. In fiscal year

2017 the Villages were acquired by Lincoln Properties. They have since renamed the development; Fairview Town Center (Center). The company continues to invest in the Center including the completion of a 100,000 square foot office building and the construction of an additional 400 apartment units in the development.

Property tax revenues have continued to increase, both in the commercial area with the addition of 400 new apartment units along with a continued growth in the residential property tax base. The tax base in fiscal year 2023 grew by 14.29%. The average market value for a home in Fairview in 2023 was \$848,015.

The economy remains strong in Fairview. The Fairview unemployment rate for September 2023 was 3.1%, compared to 4.1% for Texas and 3.7% nationwide (not seasonally adjusted).

Financial Policies

The Town Council has adopted and routinely updates the financial policies of the Town. Many of the financial policies were updated in 2012. In November 2013, the Town formally adopted the Governmental Accounting Standards Board (GASB) #54 "Fund Balance Reporting and Governmental Fund Type Definitions" and revised the Town's fund balance policy. These policies have guided the Town and have resulted in strong fund balances and conservative budgeting practices. The General Fund unassigned fund balance policy sets a goal of 25% of appropriations. The Town has exceeded this level for several years; therefore, the revised policy provides any unassigned fund balance in the General Fund exceeding 50% of budgeted appropriations will be assigned to fund future capital or one-time expenditures. The current fund balance is estimated at 59.5% of General Fund appropriations.

The Town retains strong bond ratings with the most recent affirmation in February 2023 by a Moody's rating of Aa2 and Standard and Poor's 2022 rating of AA+.

Long Term Planning

The Town Council and staff recognize the need for long range planning. It is the goal of the Town government to provide responsible leadership, services, and infrastructure to achieve a safe environment and provide for a high quality of life. Below is a discussion of the current planning being undertaken by the Town.

Strategic Planning

The Town Council periodically reviews their priorities as a part of the budget planning process. In 2023, the Town Council conducted a planning session that resulted in an update to the Town Vision and Mission statements and an update to the Town strategic plan with emphasis on communication with citizens, ordinance updates, an update to the Town's capital plan, and employee engagement. Town staff is in the process of implementing the action items developed as a result of that planning process.

Current Planning Projects

Over the past several years the Town has completed updates to the Town's master planning for the Commercial Planned Development District (CPDD), roadway, water and sewer master plans. Along with the updates to the master plans, the Town's impact fees for water, sewer and roadways were updated in early 2022.

The completion of these plans identified the components of the Town's ten-year capital plan, which was approved in FY 2016. This plan continues to be updated.

Roadway planning underway includes the design for Fairview Parkway. The Town received a grant from Collin County for construction of two lanes of Fairview Parkway. This project will complete a north-south roadway through the Commercial District and provide an improved connection to an important connection to SH-75 from Ridgeview.

In November of 2021 the Town Council approved an updated Master Park and Trail plan for the Town. Included in the plan was an implementation schedule for projects that is now included in the Town's capital plan. The first phase of implementation of the plan was approved in 2023 with the issuance of tax notes in October 2023 for specific projects.

Capital Improvements

Completion of the master plans noted above identified the components of the Town's capital plan for facilities and infrastructure. During the 2023 planning program, the Town Council updated the capital plan.

As identified above, one of the primary strategic goals is the implementation of the capital improvement plan. This plan includes needed improvements for the implementation of the Commercial Planned Development District along with other Town needs.

Major capital projects planned in the near future, under construction or recently completed by other agencies including TxDOT and North Texas Municipal Water District which impact Fairview include:

1. Park and Trail improvements. In 2023, the Town acquired a parcel of land to provide a trailhead for the Town's trail system within the commercial district. Additionally, the Town approved the issuance of tax notes (issued in October 2023) for the construction of certain park improvements outlined in the capital plan.
2. Reconstruction of the overpass at US 75 and Ridgeview. This project is underway and is anticipated to be completed in 2024.
3. Construction of two trail sections located on FM-1378 to connect portions of the Town trail system. These projects were funded in part with a grant from Collin County.
4. Completion of drainage and shoulder work on FM-1378. This was a TxDOT project that improved drainage and roadway safety on FM-1378 within Fairview. This project was completed in 2023.
5. The relocation and reconstruction of Fairview Crossing from US75 to FM-1378. The Town received approval of an Economic Development Administration (EDA) grant to pay for a portion of the cost to construct the Fairview Crossing project. The contract for construction of the project was approved in early 2023 and should be completed in 2024.
6. A major drainage project in the Fox Glen neighborhood is under design for construction in 2024.
7. The Town will be constructing an AMI smart water meter system to provide an improved water meter system and improved communication with customers. The first phase of construction is planned for 2024.

Utilities

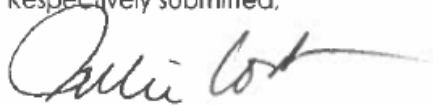
The Town of Fairview purchases its water from and has its sewer treated by North Texas Municipal Water District ("NTMWD"). NTMWD has a long-range plan for providing treated water to its member and customer cities and each year, portions of that plan are implemented along with the rates necessary to fund the plans. Prior to fiscal year 2019, increases from NTMWD were on average, 10%. Entering the 2019 fiscal year, NTMWD changed their pricing structure reducing the increases to the Town. In FY2021 and again in FY2022 NTMWD elected to not increase in water rates due to the effects of the pandemic. The Town did see a 13.16% increase in water rates and a 20.27% increase in wastewater rates for FY2023. Due to increased operating and processing costs, the Town passed through NTMWD increases for water rates of 5% and wastewater rates of over 26% to its customers for fiscal year 2024.

Acknowledgements

The preparation of the annual comprehensive financial report would not have been possible without the efficient and dedicated service of the staff of the finance and administration department who worked on the report. Each member involved in this effort has my sincere appreciation for the contributions made in the preparation of this report.

Credit must also be given to the governing body of the Town, the Mayor and the members of the Town Council, for their leadership and support in maintaining the highest standards in the financial management of the Town of Fairview.

Respectively submitted,



Julie Couch
Town Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Fairview
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

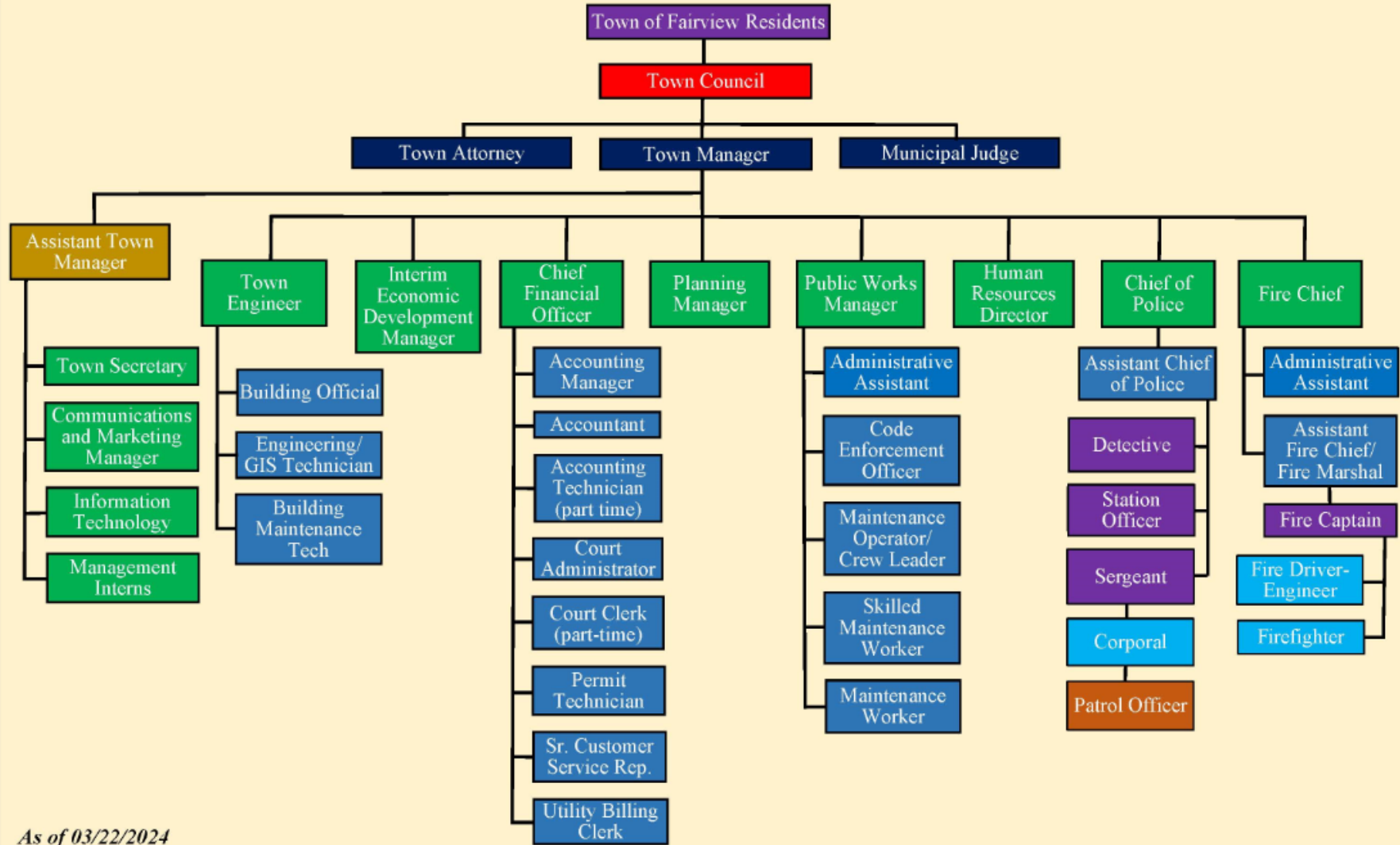
September 30, 2022

Christopher P. Morrill

Executive Director/CEO



Town of Fairview Organizational Chart



As of 03/22/2024

Town of Fairview, Texas
List of Principal Officials
September 30, 2023

Henry Lessner	Mayor
John Hubbard.....	Mayor Pro Tem & Seat 6
Rich Connelly	Councilmember - Seat 1
Gregg Custer	Councilmember - Seat 2
Ricardo Doi	Councilmember - Seat 3
Larry Little.....	Councilmember – Seat 4
Ken Logsdon	Councilmember - Seat 5
Julie Couch	Town Manager
Adam Wilbourn.....	Assistant to the Town Manager
Joshua Stevenson	Town Secretary
James Chancellor	Town Engineer
William Christopher Chandler	Police Chief
Jeff Bell.....	Fire Chief
Aron Holmgren.....	Public Works Manager
Steven Ventura.....	Chief Financial Officer
Israel Roberts	Planning Manager
Whitney Casey.....	Human Resources Director

Financial Section



Independent Auditor's Report

The Honorable Mayor, Town Council, and Town Manager
Town of Fairview, Texas

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Town 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

The Town's 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 Town'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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

The Honorable Mayor, Town Council and Town Manager
Town of Fairview, Texas

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2024 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas
March 26, 2024



Management's Discussion and Analysis

The following discussion and analysis of the Town of Fairview (the Town) financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the Town's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$54,876,705.
- The government's total net position increased by \$5,844,186. This was due to a net increase in revenues over expenses in 2023, mostly from the business-type activities where operating income exceeded \$2.6 million due to increases in water sales as well as increased investment income.
- As of the close of the current fiscal year, the Town of Fairview's governmental funds reported combined ending fund balances of \$12,927,171, a decrease of \$586,176 in comparison with the prior year.
- The \$6,189,724 unassigned fund balance in the General Fund represents 57% of the total General Fund expenditures.
- The Town's long-term liabilities increased by \$332,404 (1.1%) during the current fiscal year. This was due to the net effect of an increase in the Town's net pension obligation and continued payments on long-term liabilities during 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The Statement of Net Position presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. To assess the overall health of the Town, other non-financial factors should also be taken into consideration, such as changes in the Town's property tax base and the condition of the Town's infrastructure.

The Statement of Activities presents information showing how the government's net position changed during the fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, transportation and recreation. The business-type activities of the Town include water and sewer, solid waste, and storm water services. The government-wide financial statements include not only the Town of Fairview itself (known as the primary government), but also two discretely presented component units. The Town's sales tax corporations are the Fairview Economic Development Corporation (EDC) and Fairview Community Development Corporation (CDC). Although legally separate, these component units operate under the criteria of board appointment and removal by the Town Council.

The government-wide financial statements can be found on pages 19-21 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by state law or bond covenants. However, the Town Council also establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the Town of Fairview can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Fairview maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the capital projects fund, and the relief fund, all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 23-26 of this report.

Proprietary funds. The Town of Fairview maintains two types of proprietary funds: enterprise funds and an internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for the water and sewer fund, the solid waste fund, and the storm water fund.

The Town started the internal service fund (a vehicle replacement fund) in fiscal year 2019 to fund the purchase of fleet vehicles for the Town. Because these services predominately benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Town maintains three individual enterprise funds. The proprietary fund financial statements provide separate information for the water and sewer fund, the solid waste fund, and the storm water fund, all of which are considered to be major funds of the Town of Fairview.

The basic proprietary fund financial statements can be found on pages 27-29 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-59 of this report.

Other information. In addition to the basic financial statements and accompanying notes, the Town adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget as required supplementary information. In addition, the Town presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension and other postemployment benefits to its employees and retirees.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This analysis focuses on net position (Table 1) and the change in net position (Table 2).

The Town's combined net position was \$54,876,705 as of September 30, 2023. Analyzing the net position of the governmental and business-type activities separately, governmental activities' net position was \$35,582,074 while business-type activities' net position was \$19,294,631.

The largest portion of the Town's net position, \$34,233,320, or 62.4%, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town's net position, \$3,014,703, or 5.5%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, \$17,628,682, reflects restrictions and commitments exceeding net position. More details about these balances are found below.

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 19,345,166	\$ 17,371,644	\$ 11,683,260	\$ 10,716,532	#####	\$ 28,088,176
Capital Assets	42,182,031	38,828,642	16,892,696	17,624,709	59,074,727	56,453,351
Total Assets	61,527,197	56,200,286	28,575,956	28,341,241	90,103,153	84,541,527
Deferred Outflows	1,596,473	680,102	273,282	144,997	1,869,755	825,099
Current liabilities	4,246,158	3,237,150	406,385	418,820	4,652,543	3,655,970
Noncurrent liabilities	22,930,080	22,394,280	7,403,599	7,606,995	30,333,679	30,001,275
Total liabilities	27,176,238	25,631,430	7,809,984	8,025,815	34,986,222	33,657,245
Deferred Inflows	365,358	700,484	1,744,623	1,976,378	2,109,981	2,676,862
Net position:						
Net investment in capital assets	24,140,755	19,946,823	10,092,565	10,241,266	34,233,320	30,188,089
Restricted	2,315,143	6,617,433	699,560	1,153,696	3,014,703	7,771,129
Unrestricted	9,126,176	3,984,218	8,502,506	7,089,083	17,628,682	11,073,301
Total net position	\$ 35,582,074	\$ 30,548,474	\$ 19,294,631	\$ 18,484,045	#####	\$ 49,032,519

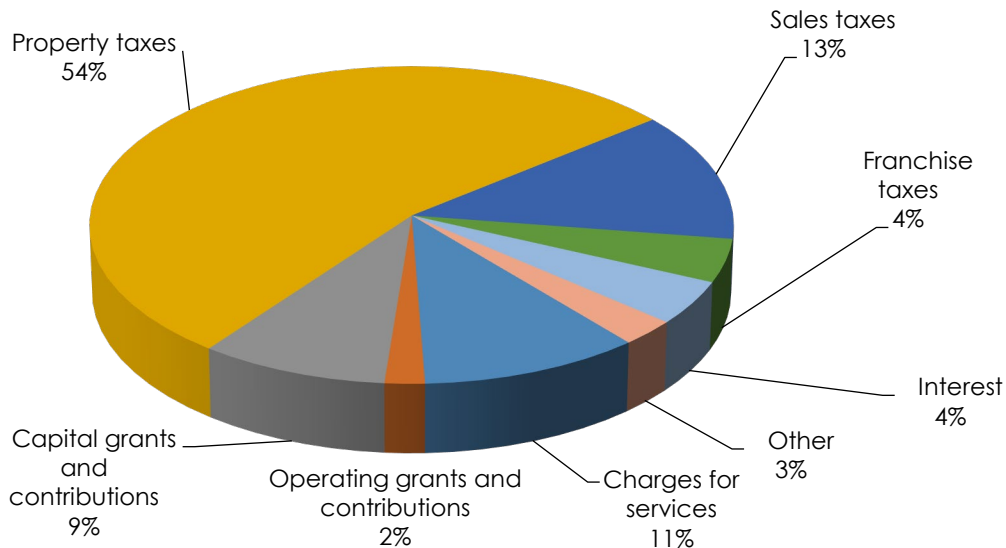
The following table (Table 2) provides a summary of the Town's operations for the year ended September 30, 2023. Governmental activities increased the Town's net position by \$5,033,600 while business-type activities increased the Town's net position by \$810,586, resulting in a \$5,844,186 increase in total net position. The key elements of this increase are as shown as follows:

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for Services	\$ 1,665,394	\$ 1,504,805	\$ 11,549,657	\$ 10,903,985	\$ 13,215,051	\$ 12,408,790
Operating Grants and Contributions	300,313	178,056	-	-	300,313	178,056
Capital Grants and Contributions	2,883,897	44,884	-	-	2,883,897	44,884
General revenues						
Property Taxes	8,562,565	7,945,463	-	-	8,562,565	7,945,463
Sales Taxes	2,086,909	1,948,849	-	-	2,086,909	1,948,849
Franchise Taxes	700,471	690,790	-	-	700,471	690,790
Other Taxes	336,161	308,688	-	-	336,161	308,688
Investment Income	709,409	139,520	81,053	13,043	790,462	152,563
Miscellaneous	86,921	120,969	-	-	86,921	120,969
Total Revenues	17,332,040	12,882,024	11,630,710	10,917,028	28,962,750	23,799,052
Expenses						
General Government	3,105,317	2,546,447	-	-	3,105,317	2,546,447
Public Safety	8,273,943	6,977,315	-	-	8,273,943	6,977,315
Public Works	1,339,268	1,273,914	-	-	1,339,268	1,273,914
Inspections	291,238	234,315	-	-	291,238	234,315
Municipal Court	222,362	181,403	-	-	222,362	181,403
Parks and Recreation	355,026	286,927	-	-	355,026	286,927
Interest on Long-Term Debt	541,414	561,357	-	-	541,414	561,357
Water and Sewer Services	-	-	7,727,541	6,530,602	7,727,541	6,530,602
Stormwater Services	-	-	343,742	271,170	343,742	271,170
Solid Waste Services	-	-	918,713	879,615	918,713	879,615
Total expenses	14,128,568	12,061,678	8,989,996	7,681,387	23,118,564	19,743,065
Increase (decrease) in Net Position						
Before Transfers	3,203,472	820,346	2,640,714	3,235,641	5,844,186	4,055,987
Transfers	1,830,128	1,114,646	(1,830,128)	(1,114,646)	-	-
Change in Net Position	5,033,600	1,934,992	810,586	2,120,995	5,844,186	4,055,987
Net Position at beginning of year	30,548,474	28,613,482	18,484,045	16,363,050	49,032,519	44,976,532
Net Position, End of Year	\$ 35,582,074	\$ 30,548,474	\$ 19,294,631	\$ 18,484,045	\$ 54,876,705	\$ 49,032,519

Governmental activities. The Town's revenues for governmental activities are detailed as follows:

Revenues by Source Governmental Activities



Revenues for the Town's governmental activities increased by \$4,450,016 or 34.5%. Major components of the increase are as follows:

Program revenues:

- Governmental activities program revenues increased in FY 2022-2023 by \$3,121,859.
- Charges for services increased by \$160,589 or 10.7% from the previous year.
 - Roadway impact fees increased by \$28,802.
 - Permits increased \$323,476 from the previous year due to an increase in commercial construction.
- Capital grants and contributions increased \$2,839,013 due to an increase in new project development.

General revenues:

- The majority of the increase in property taxes can be attributed to the 17% increase in net taxable property assessed valuation in fiscal year 2023 of \$2,623,532,822 compared to previous year of \$2,239,727,765.
- Due to the increase in net taxable property assessed valuations in fiscal year 2023, property taxes increased \$617,102 or 7.8% compared to the previous year.
- Sales tax revenue increased by \$138,060 or 7.1% from the previous year.
- Franchise fee revenue increased by \$9,681 or 1.5% from the previous year.

Overall, expenses for governmental activities increased by \$2,066,890 or 17.1%. Components of the individual expense increases and decreases are explained as follows:

General Government:

- General government expenses increased by \$558,870 or 22% from the previous fiscal year primarily due to the implementation of an updated pay plan and increases to other general expenses.
 - In the administration department, expenses increased by \$212,327 or 34% due to an increase in personnel expenses and purchased services.
 - The accounting department costs increased by \$46,467 or 7.0% primarily due to an increase in personnel expenses and purchased services.
 - Town secretary expenses increased \$6,166 or 4.2% due to an increase in materials and supplies.
 - Planning and zoning costs increased by \$10,103 or 6.3% due to an increase in personnel expenses and general and administrative services.

Public Safety:

- Police department expenses increased for fiscal year 2023 by \$316,282 or 13% due to an increase in personnel and operational expenses:
 - Purchased services increased by \$38,964 or 10% due to an increase in consulting fees.
 - Materials and Supplies increased by \$22,446 due to a decrease in Police materials and supplies.
- Fire department costs increased by \$296,298 or 7.5% compared to the previous fiscal year primarily due to increased personnel costs and operational expenses related to equipment and fees.
 - Purchased services increased by \$21,158 and materials and supplies increased by \$33,247.

Public Works:

- Public works department costs increased by \$65,354 or 5.1% primarily due to an increase in purchased services.

Inspections:

- There was an increase of \$56,923 or 24.3% in the Inspections department primarily due to an increase in purchased services.

Municipal Court:

- Municipal court expenses increased by \$40,959 or 22.6% from the prior year due to personnel expenses and purchased services increases.

Parks and Recreation:

- Parks and recreation expenses increased by \$68,099 or 23.7% from the previous fiscal year. This increase was primarily due to a vacancy being filled in the department as well as increases in repairs and maintenance and purchased services.

Business-type activities. The Town's revenues by sources for business-type activities are detailed below along with an illustration between expenses and program revenues for business-type activities.

Business-type activities revenues increased \$713,682 or 6.5%. Major components of the individual decreases/increases are as follows:

Water and Sewer Fund:

- Charges for Services increased by \$645,672 or 6% due to an increase in water sales.
- Water Department:
 - The Utility Fund also saw increases during the year to the implementation of an updated pay plan.
 - The water department expenses increased \$921,368 or 22% due to increases in personnel costs, purchased services, costs of water, and repairs and maintenance expenses.
- Sewer Department:
 - In addition to the Town purchasing water from NTMWD, the Town contracts with NTMWD for treatment of sewer water. The cost of treatment increased by \$115,622 or 13%.

Solid Waste Fund:

- Trash and recycling collection services decreased revenues in FY2023 by \$12,789 or 1% compared to the previous fiscal year.
- Trash and recycling expenses increased in fiscal year 2023 by \$39,098 or 4.4% compared to fiscal year 2022 primarily due to increased fees, and additional users on the system.

Storm water Fund:

- In fiscal year 2023, revenues decreased \$20,742 or 4% compared to the previous fiscal year, while the expenses increased \$72,572 or 26.8% due to an increase in Drainage Repairs & Maintenance and internal transfers.

Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,927,171, a decrease of \$586,176 in comparison with the prior year. Of this total amount, 47.8%, or \$6,182,227, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is: 1) assigned for technology equipment – \$244,365 and capital – \$4,171,687; 2) restricted for: a) to pay debt service – \$466,434, b) for court – \$240,119, c) for fire use – \$101,234, or d) for development (tax increment reinvestment zone and hotel/motel) – \$1,520,605; nonspendable for prepaids – \$500.

The general fund is the chief operating fund of the Town of Fairview. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,189,724, while total fund balance was \$6,434,589. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 57.2% of total general fund expenditures, while total fund balance represents 59.5% of that same amount. Fund balance in the General Fund increased by \$496,765 due to higher tax revenues.

The Debt Service Fund has a total fund balance of \$466,434, all of which is restricted for the payment of debt service. The Debt Service fund balance increased by \$26,833 or 6.1%. The Debt service fund had an increase in tax revenue of \$75,970 and a decrease of \$49,883 in expenditures.

The Capital Projects Fund provides information on capital projects and had an ending fund balance of \$4,171,687. The Capital Projects Fund balance decreased by \$881,453 or 17.4% primarily due to ongoing progress of capital projects.

The Relief Fund, which holds proceeds from the American Recovery Plan Act (ARPA), had a fund deficit of \$7,497. Funds from the ARPA grant remains classified as unearned revenue and will be recognized as qualifying expenses are incurred.

Financial Analysis of the Proprietary Funds

An analysis of the enterprise funds overall is provided in the business-type activities discussion above. In addition, the net position of the water and sewer fund increased by \$827,609, due to an increase in revenues. The net position of the solid waste fund decreased by \$29,308 due to an increase in expenditures and internal transfers. The net position of the storm water fund increased by \$12,285 due to a decrease in expenses as compared to prior year.

General Fund Budgetary Highlights

During the year, revenues exceeded budget estimates by \$248,295 and expenditures exceeded budget by \$186,026. The budget had called for a \$434,496 increase in fund balance. However, actual fund balance increased by \$496,765. While property tax, mixed beverage tax, charges for services, permits, interest income, and miscellaneous income all exceeded budget, some expenditures also exceeded budget, creating a net increase to fund balance. Those expenditures exceeding budgeted appropriations is disclosed in the notes to the budgetary comparison schedule.

Capital Assets. The Town's investment in capital assets, for its governmental and business-type activities as of September 30, 2023, amount to \$59,074,727 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings, park facilities, vehicles, machinery and equipment, roads, bridges and water and sewer lines. About 71.4% of the capital assets are governmental and 28.6% are business-type activities.

Table 3
Capital Assets at Year-end
(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 5,724,969	\$ 5,204,969	\$ 113,384	\$ 113,384	\$ 5,838,353	\$ 5,318,353
Construction in Progress	4,605,018	911,898	-	-	4,605,018	911,898
Buildings	14,445,892	14,398,805	113,215	119,184	14,559,107	14,517,989
Infrastructure	15,525,570	16,226,580	-	-	15,525,570	16,226,580
Utility Plant	-	-	16,515,296	17,223,915	16,515,296	17,223,915
Machinery and Equipment	1,880,582	2,086,390	150,801	168,226	2,031,383	2,254,616
Total	\$42,182,031	\$ 38,828,642	\$16,892,696	\$17,624,709	\$ 59,074,727	\$ 56,453,351

The major governmental-type capital improvement projects and acquisitions during the current fiscal year included the following:

- The Public Works department purchased a truck (\$36,200).
- The Engineering department purchased a vehicle and safety equipment (\$40,280).
- The Fire department purchased a truck and various equipment items (\$81,118).

Additional information on the Town's capital assets can be found in Note 5 of this report.

Debt Administration. At the end of the current fiscal year, the Town had total bonds outstanding of \$23,490,000. This entire amount represents either tax-supported or combination tax and limited surplus revenue debt.

Table 4
Outstanding Debt
Outstanding Debt and Long-Term Liabilities

	Governmental activities		Business-type activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Gross bonded debt:						
General obligation	\$ 11,192,845	\$ 12,183,442	\$ 1,287,155	\$ 1,611,558	\$ 12,480,000	\$ 13,795,000
Certificates of obligation	5,875,000	6,385,000	5,135,000	5,355,000	11,010,000	11,740,000
Total bonded debt	17,067,845	18,568,442	6,422,155	6,966,558	23,490,000	25,535,000
Other long-term debt:						
Unamortized premiums	1,825,754	2,032,929	388,172	460,326	2,213,926	2,493,255
Net pension liability	2,672,227	414,043	485,509	89,099	3,157,736	503,142
Net OPEB liability	74,233	104,284	13,032	18,307	87,265	122,591
Compensated absences	865,315	780,770	94,731	72,705	960,046	853,475
Financed purchase	424,706	493,812	-	-	424,706	493,812
Total other long-term debt	5,862,235	3,825,838	981,444	640,437	6,843,679	4,466,275
Total	\$ 22,930,080	\$ 22,394,280	\$ 7,403,599	\$ 7,606,995	\$ 30,333,679	\$ 30,001,275

The Town retains strong bond ratings with the most recent affirmation in February 2023 by a Moody's rating of Aa2 and Standard and Poor's 2022 rating of AA+.

The Town is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. Additional information on the Town's outstanding debt can be found in Note 7 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Fairview is located in one of the fastest growing areas in the state and in Collin County, Texas. With this growth, there are additional revenues to be collected but there is also a mounting list of needs to accommodate the growth and expectations of the community. During the budget process, the Council's philosophy remains to provide the highest level of service at the greatest value. Part of this philosophy and commitment to taxpayer's money includes a decreased tax rate to \$0.311683 per \$100 of assessed valuation and maintaining or exceeding appropriate fund balances and reserves as required by the Town's financial policies.

- **Infrastructure**
 - Continue the improvement of roadways within the Town
 - Replacement of older water lines in the Town
 - Drainage improvements in older subdivisions

- **Community Development & Economic Development**
 - Continuation of concept planning for CPDD
 - Evaluation of economic & community development programs
 - Continuation of marketing plan

- **Customer Focus/Citizen Communication**
 - Continue upgrade of the Town and EDC website for improved citizen communication

- **Fiscal Responsibility**
 - Implementation of the 10-year capital plan with additions of equipment and infrastructure
 - Continue to grow the TIF fund to assist in financing capital projects

- **Public Safety**
 - Addition of police & fire equipment to expand capabilities
 - Add Fire Department personnel and no longer have part-time Fire Fighters

The fiscal year 2023-2024 budget includes a reduced property tax rate from prior year; the tax rate is \$0.311683 per \$100 valuation. Maintenance and operations tax rate is \$0.234200 while the debt (interest and sinking) rate is \$0.077483.

For fiscal year 2024, the General Fund revenues are budgeted to increase over the previous fiscal year. General revenues for property taxes are budgeted with a 12% increase, while sales taxes are budgeted at \$1,990,000, a \$96,910 decrease from FY2023 actuals. The fiscal year 2024 operating expenditures budget decreased by 0.6% or \$6,259, from fiscal year 2023 actuals.

For fiscal year 2024, water rates increased by 5%, while sewer rates increased by 26.59%-a pass through increase from NTMWD. Republic Services serves as the provider for the Town's solid waste services, the rates for fiscal year 2024 increased by 3.5%-as provided by the contract signed in 2023.

REQUEST FOR INFORMATION

This report is designed to provide a general overview of the Town of Fairview's finances. If you have questions about this report or need additional financial information, contact:

Finance Department
Town of Fairview
372 Town Place
Fairview, Texas 75069

Basic Financial Statements



Town of Fairview, Texas
Statement of Net Position
September 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Economic Development	Community Development
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 17,460,295	\$ 7,811,632	\$ 25,271,927	\$ 1,788,272	\$ 1,612,962
Restricted cash and cash equivalents	-	125,558	125,558	-	-
Receivables (Net of allowance for uncollectibles):					
Accounts receivable	-	1,974,886	1,974,886	-	-
Property taxes	246,292	-	246,292	-	-
Sales taxes	373,554	-	373,554	181,217	181,217
Franchise taxes	199,332	-	199,332	-	-
Grants	876,474	-	876,474	-	-
Other	174,694	-	174,694	-	-
Leases	-	1,785,209	1,785,209	-	-
Internal balances	14,025	(14,025)	-	-	-
Prepaid	500	-	500	-	-
Nondepreciable capital assets	10,329,987	113,384	10,443,371	-	-
Depreciable capital assets, net	31,852,044	16,779,312	48,631,356	-	-
TOTAL ASSETS	61,527,197	28,575,956	90,103,153	1,969,489	1,794,179
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	19,431	10,196	29,627	-	-
Deferred outflows - pensions	1,555,181	259,249	1,814,430	-	-
Deferred outflows - OPEB	21,861	3,837	25,698	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,596,473	273,282	1,869,755	-	-
LIABILITIES					
Accounts payable	987,163	209,050	1,196,213	202,931	200,453
Accrued wages payable	242,440	42,131	284,571	-	-
Accrued interest payable	89,299	29,646	118,945	-	-
Customer deposits	75,263	125,558	200,821	-	-
Unearned revenue	2,851,993	-	2,851,993	-	-
Non-current liabilities:					
Due within one year	2,405,897	746,083	3,151,980	-	-
Due in more than one year	20,524,183	6,657,516	27,181,699	-	-
TOTAL LIABILITIES	27,176,238	7,809,984	34,986,222	202,931	200,453
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pensions	304,188	31,495	335,683	-	-
Deferred inflows - OPEB	61,170	10,737	71,907	-	-
Deferred inflows - leases	-	1,702,391	1,702,391	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	365,358	1,744,623	2,109,981	-	-
NET POSITION					
Net investment in capital assets	24,140,755	10,092,565	34,233,320	-	-
Restricted:					
Debt service	453,185	-	453,185	-	-
Capital	-	699,560	699,560	-	-
Court	240,119	-	240,119	-	-
Fire	101,234	-	101,234	-	-
Development	1,520,605	-	1,520,605	-	-
Unrestricted	9,126,176	8,502,506	17,628,682	1,766,558	1,593,726
TOTAL NET POSITION	\$ 35,582,074	\$ 19,294,631	\$ 54,876,705	\$ 1,766,558	\$ 1,593,726

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

Town of Fairview, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2023

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Functions/Programs				
Governmental activities				
General government	\$ 3,105,317	\$ 786,528	\$ 6,000	\$ -
Public safety	8,273,943	322,433	74,313	-
Public works	1,339,268	544,264	220,000	2,883,897
Inspections	291,238	-	-	-
Municipal court	222,362	-	-	-
Parks and recreation	355,026	12,169	-	-
Interest and fiscal charges	541,414	-	-	-
Total governmental activities	<u>14,128,568</u>	<u>1,665,394</u>	<u>300,313</u>	<u>2,883,897</u>
Business-type activities				
Water and sewer	7,727,541	10,305,989	-	-
Storm water	343,742	346,263	-	-
Solid waste	918,713	897,405	-	-
Total business-type activities	<u>8,989,996</u>	<u>11,549,657</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 23,118,564</u>	<u>\$ 13,215,051</u>	<u>\$ 300,313</u>	<u>\$ 2,883,897</u>
Component units				
Economic Development Corporation	\$ 859,487	\$ -	\$ -	\$ -
Community Development Corporation	984,482	-	-	-
Total component units	<u>\$ 1,843,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:
Property taxes
Sales taxes
Franchise taxes
Other taxes
Interest earnings
Miscellaneous
Transfers in (out)

Total general revenues and transfers

Change in net position
Net position at beginning of year
Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Economic Development	Community Development
\$ (2,312,789)	\$ -	\$ (2,312,789)	\$ -	\$ -
(7,877,197)	-	(7,877,197)	-	-
2,308,893	-	2,308,893	-	-
(291,238)	-	(291,238)	-	-
(222,362)	-	(222,362)	-	-
(342,857)	-	(342,857)	-	-
(541,414)	-	(541,414)	-	-
<u>(9,278,964)</u>	<u>-</u>	<u>(9,278,964)</u>	<u>-</u>	<u>-</u>
-	2,578,448	2,578,448	-	-
-	2,521	2,521	-	-
-	(21,308)	(21,308)	-	-
<u>-</u>	<u>2,559,661</u>	<u>2,559,661</u>	<u>-</u>	<u>-</u>
<u>\$ (9,278,964)</u>	<u>\$ 2,559,661</u>	<u>\$ (6,719,303)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (859,487)	\$ -
-	-	-	-	(984,482)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (859,487)</u>	<u>\$ (984,482)</u>
\$ 8,562,565	-	8,562,565	-	-
2,086,909	-	2,086,909	1,043,455	1,043,455
700,471	-	700,471	-	-
336,161	-	336,161	-	-
709,409	81,053	790,462	77,867	75,412
86,921	-	86,921	-	-
1,830,128	(1,830,128)	-	-	-
<u>14,312,564</u>	<u>(1,749,075)</u>	<u>12,563,489</u>	<u>1,121,322</u>	<u>1,118,867</u>
5,033,600	810,586	5,844,186	261,835	134,385
30,548,474	18,484,045	49,032,519	1,504,723	1,459,341
<u>\$ 35,582,074</u>	<u>\$ 19,294,631</u>	<u>\$ 54,876,705</u>	<u>\$ 1,766,558</u>	<u>\$ 1,593,726</u>



Town of Fairview, Texas
 Balance Sheet
 Governmental Funds
 September 30, 2023

	General Fund	Debt Service	Capital Projects	Relief	Non-major Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 6,450,572	\$ 466,434	\$ 5,372,564	\$ 2,257,991	\$ 1,842,464	\$ 16,390,025
Receivables, net of allowance						
Property taxes	170,242	76,050	-	-	-	246,292
Sales taxes	373,554	-	-	-	-	373,554
Franchise taxes	199,332	-	-	-	-	199,332
Grants	-	-	876,474	-	-	876,474
Other	155,200	-	-	-	19,494	174,694
Due from other funds	14,025	-	-	-	-	14,025
Prepaid items	500	-	-	-	-	500
Total assets	\$ 7,363,425	\$ 542,484	\$ 6,249,038	\$ 2,257,991	\$ 1,861,958	\$ 18,274,896
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 372,791	\$ -	\$ 614,372	\$ -	\$ -	\$ 987,163
Accrued wages payable	242,440	-	-	-	-	242,440
Customer deposits	75,263	-	-	-	-	75,263
Unearned revenue	-	-	586,505	2,265,488	-	2,851,993
Total liabilities	690,494	-	1,200,877	2,265,488	-	4,156,859
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - property taxes	170,242	76,050	-	-	-	246,292
Unavailable revenues - fees	68,100	-	-	-	-	68,100
Unavailable revenues - grants	-	-	876,474	-	-	876,474
Total deferred inflows of resources	238,342	76,050	876,474	-	-	1,190,866
FUND BALANCES (DEFICITS)						
Nonspendable:						
Prepaid items	500	-	-	-	-	500
Restricted:						
Court	-	-	-	-	240,119	240,119
Fire	-	-	-	-	101,234	101,234
Development	-	-	-	-	1,520,605	1,520,605
Debt service	-	466,434	-	-	-	466,434
Assigned:						
Capital	-	-	4,171,687	-	-	4,171,687
Technology	244,365	-	-	-	-	244,365
Unassigned	6,189,724	-	-	(7,497)	-	6,182,227
Total fund balances (deficits)	6,434,589	466,434	4,171,687	(7,497)	1,861,958	12,927,171
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 7,363,425	\$ 542,484	\$ 6,249,038	\$ 2,257,991	\$ 1,861,958	\$ 18,274,896

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

Town of Fairview, Texas

Reconciliation of the Governmental Funds Balance Sheet To the Statement of Net Position September 30, 2023

Total governmental fund balances	\$ 12,927,171
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds financial statements. This amount does not include \$236,555 reported in the internal service fund.	41,945,476
Accrued interest on governmental activities debt is not reported in the governmental funds financial statements until paid.	(89,299)
Revenues earned but not available within sixty days of fiscal year-end are not recognized as revenue in the governmental funds financial statements.	1,190,866
For debt refundings, the difference between the acquisition price and the net carrying amount of the debt has been deferred and amortized in the government-wide financial statements.	19,431
Deferred outflows of resources, \$1,577,042, and deferred inflows of resources (\$365,358) related to the Town's net pension and OPEB liabilities, combined, result in an increase in net position in the government-wide financial statements. This is the net amount of the deferred outflows and inflows.	1,211,684
Premium on bond issuance for governmental activities debt is recorded as a liability and amortized over the life of the debt in the government-wide financial	(1,825,754)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds financial statements.	(865,315)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore, are not reported in the fund financial statements.	(20,239,011)
Internal service funds are used by management to charge the costs of vehicle replacement to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	<u>1,306,825</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 35,582,074</u></u>

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

Town of Fairview, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Fiscal Year Ended September 30, 2023

	General Fund	Debt Service	Capital Projects	Relief	Non-major Governmental Funds	Total
Revenues						
Taxes:						
Property	\$ 5,740,808	\$ 2,173,952	\$ -	\$ -	\$ 624,521	\$ 8,539,281
Sales	2,086,909	-	-	-	-	2,086,909
Franchise	700,471	-	-	-	-	700,471
Other	103,448	-	-	-	232,713	336,161
Charges for services	375,498	-	-	-	-	375,498
Permits	752,071	-	-	-	-	752,071
Fines and forfeitures	294,066	-	-	-	28,367	322,433
Intergovernmental	40,600	100,000	1,849,617	-	-	1,990,217
Interest income	587,588	-	121,821	-	-	709,409
Miscellaneous revenues	129,301	-	-	-	39,713	169,014
Street impact fees	-	-	173,012	-	-	173,012
Park fees	-	-	277,806	-	-	277,806
Total revenues	10,810,760	2,273,952	2,422,256	-	925,314	16,432,282
Expenditures						
Current:						
General government	2,562,692	-	-	-	-	2,562,692
Public safety	7,060,645	-	-	-	9,605	7,070,250
Public works	535,711	-	10,035	-	-	545,746
Inspections	271,415	-	-	-	-	271,415
Municipal court	199,297	-	-	-	30	199,327
Parks and recreation	187,135	-	-	-	-	187,135
Debt service:						
Principal retirement	-	1,569,703	-	-	-	1,569,703
Interest and fiscal charges	-	752,416	-	-	-	752,416
Capital outlay	-	-	4,905,174	-	-	4,905,174
Total expenditures	10,816,895	2,322,119	4,915,209	-	9,635	18,063,858
Excess (deficiency) of revenues over (under) expenditures	(6,135)	(48,167)	(2,492,953)	-	915,679	(1,631,576)
Other financing sources (uses)						
Transfers in	902,900	75,000	1,611,500	-	-	2,589,400
Transfers out	(400,000)	-	-	-	(1,144,000)	(1,544,000)
Total other financing sources (uses)	502,900	75,000	1,611,500	-	(1,144,000)	1,045,400
Net change in fund balances	496,765	26,833	(881,453)	-	(228,321)	(586,176)
Fund balance (deficit) at beginning of year	5,937,824	439,601	5,053,140	(7,497)	2,090,279	13,513,347
Fund balance (deficit), end of year	\$ 6,434,589	\$ 466,434	\$ 4,171,687	\$ (7,497)	\$ 1,861,958	\$ 12,927,171

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

Town of Fairview, Texas

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to Statement of Activities For the Fiscal Year Ended September 30, 2023

Net change in fund balances - total governmental funds	\$ (586,176)
Amounts reported for governmental activities in the statement of activities are different because:	
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	899,758
Capital outlays and other capital asset adjustments are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is capitalized. This does not include \$117,304 recorded in the internal service fund.	4,896,890
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The effect of recording depreciation expense is to decrease net position. This does not include \$150,695 recorded in the internal service fund.	(1,510,110)
Amortization of deferred refunding amounts is not recognized in the governmental funds. The effect of recording current year's amortization is to decrease net position.	(3,806)
Implementation of GASB 68 and 75 requires certain expenditures to be de-expended and recorded as deferred. The following is the net effect of current year pension and OPEB expense, amortization of prior deferred pension and OPEB inflows and outflows, and contributions made after the measurement date.	(972,830)
Current year long-term debt principal payments on contractual obligations and bonds payable are expenditures in the fund financial statements, but are shown as reductions of long-term debt in the government-wide financial statements.	1,569,703
Premiums and discounts are recognized in the fund financial statements as other financing sources or uses, but they are amortized over the term of the bonds in the government-wide financial statements. This amount represents amortization of premiums.	207,175
Changes in compensated absences liabilities are not reported in the fund financial statements. The net effect of the current year increase is to decrease net position.	(84,545)
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	7,633
Internal service funds are used by management to charge the costs of vehicle replacement to funds. The net expenses of certain activities of internal service funds are reported within governmental activities.	609,908
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 5,033,600

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

Town of Fairview, Texas
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-type Activities			Total	Governmental
	Enterprise funds				Internal Service
	Water and Sewer	Solid Waste	Storm Water		Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 6,755,087	\$ 80,642	\$ 975,903	\$ 7,811,632	\$ 1,070,270
Restricted cash and cash equivalents	125,558	-	-	125,558	-
Receivables (net of allowance for uncollectibles)	3,641,037	90,413	28,645	3,760,095	-
Total current assets	10,521,682	171,055	1,004,548	11,697,285	1,070,270
Noncurrent assets:					
Nondepreciable capital assets	113,384	-	-	113,384	-
Depreciable capital assets, net	16,667,334	-	111,978	16,779,312	236,555
Total noncurrent assets	16,780,718	-	111,978	16,892,696	236,555
Total assets	27,302,400	171,055	1,116,526	28,589,981	1,306,825
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	10,196	-	-	10,196	-
Deferred outflows - pensions	204,115	-	55,134	259,249	-
Deferred outflows - OPEB	3,032	-	805	3,837	-
Total deferred outflows of resources	217,343	-	55,939	273,282	-
Total assets and deferred outflows of resources	\$ 27,519,743	\$ 171,055	\$ 1,172,465	\$ 28,863,263	\$ 1,306,825
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
Current liabilities:					
Accounts payable	\$ 132,972	\$ 74,859	\$ 1,219	\$ 209,050	\$ -
Accrued wages payable	36,472	-	5,659	42,131	-
Due to other funds	12,523	-	1,502	14,025	-
Compensated absences - current portion	84,158	-	10,573	94,731	-
Accrued interest payable	29,646	-	-	29,646	-
Customer deposits	125,558	-	-	125,558	-
Current portion of long-term debt	651,352	-	-	651,352	-
Total current liabilities	1,072,681	74,859	18,953	1,166,493	-
Non-current liabilities:					
Net pension liability	381,910	-	103,599	485,509	-
Net OPEB liability	10,291	-	2,741	13,032	-
Long-term debt	6,158,975	-	-	6,158,975	-
Total noncurrent liabilities	6,551,176	-	106,340	6,657,516	-
Total liabilities	7,623,857	74,859	125,293	7,824,009	-
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pensions	24,891	-	6,604	31,495	-
Deferred inflows - OPEB	8,481	-	2,256	10,737	-
Deferred inflows - leases	1,702,391	-	-	1,702,391	-
Total deferred inflows of resources	1,735,763	-	8,860	1,744,623	-
Net position					
Net investment in capital assets	9,980,587	-	111,978	10,092,565	236,555
Restricted for:					
Capital projects	699,560	-	-	699,560	-
Unrestricted	7,479,976	96,196	926,334	8,502,506	1,070,270
Total net position	18,160,123	96,196	1,038,312	19,294,631	1,306,825
Total liabilities, deferred inflows of resources and net position	\$ 27,519,743	\$ 171,055	\$ 1,172,465	\$ 28,863,263	\$ 1,306,825

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

Town of Fairview, Texas

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds For the Fiscal Year Ended September 30, 2023

	Business-type Activities Enterprise funds			Governmental- Activities	
	Water and Sewer	Solid Waste	Storm Water	Total	Internal Service Fund
Operating revenues:					
Charges for services	\$ 10,305,989	\$ 897,405	\$ 346,263	\$ 11,549,657	\$ -
Total operating revenues	10,305,989	897,405	346,263	11,549,657	-
Operating expenses:					
Water purchases	3,564,480	-	-	3,564,480	-
Personnel services	1,304,706	-	178,422	1,483,128	-
Repairs and maintenance	193,966	-	143,234	337,200	-
Operations	1,692,047	918,713	8,544	2,619,304	24,125
Depreciation	764,923	-	13,542	778,465	150,695
Total operating expenses	7,520,122	918,713	343,742	8,782,577	174,820
Operating income (loss)	2,785,867	(21,308)	2,521	2,767,080	(174,820)
Non-operating revenues (expenses):					
Interest income	26,561	-	54,492	81,053	-
Interest expense	(174,174)	-	-	(174,174)	-
Bond issuance costs	(33,245)	-	-	(33,245)	-
Total non-operating revenue (expenses)	(180,858)	-	54,492	(126,366)	-
Income (loss) before transfers	2,605,009	(21,308)	57,013	2,640,714	(174,820)
Transfers					
Transfers in	20,000	-	40,272	60,272	825,000
Transfers out	(1,797,400)	(8,000)	(85,000)	(1,890,400)	(40,272)
Total transfers	(1,777,400)	(8,000)	(44,728)	(1,830,128)	784,728
Change in net position	827,609	(29,308)	12,285	810,586	609,908
Net position at beginning of year	17,332,514	125,504	1,026,027	18,484,045	696,917
Net position, end of year	\$ 18,160,123	\$ 96,196	\$ 1,038,312	\$ 19,294,631	\$ 1,306,825

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

Town of Fairview, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2023

	Business-type Activities Enterprise Funds			Governmental- Activities	
	Water and Sewer	Solid Waste	Storm Water	Total	Internal Service Fund
Cash flow from operating activities:					
Receipts from customers and users	\$ 9,910,702	\$ 938,835	\$ 363,306	\$ 11,212,843	\$ -
Payments to suppliers for goods and services	(5,125,947)	(918,713)	(68,225)	(6,112,885)	(211,941)
Payments to employees for services	(1,458,911)	-	(222,552)	(1,681,463)	-
Net cash provided by (used in) operating activities	3,325,844	20,122	72,529	3,418,495	(211,941)
Cash flow from noncapital financing activities:					
Transfers from other funds	20,000	-	-	20,000	825,000
Transfers to other funds	(1,797,400)	(8,000)	(85,000)	(1,890,400)	-
Net cash provided by (used in) noncapital financing activities	(1,777,400)	(8,000)	(85,000)	(1,870,400)	825,000
Cash flow from capital financing activities:					
Acquisition of capital assets	-	-	-	-	(157,576)
Loss on sale of capital assets	(6,180)	-	-	(6,180)	-
Principal paid on capital debt	(544,403)	-	-	(544,403)	-
Interest paid on capital debt	(249,095)	-	-	(249,095)	-
Net cash used in capital financing activities	(799,678)	-	-	(799,678)	(157,576)
Cash flow from investing activities:					
Interest revenue	26,561	-	54,492	81,053	-
Net cash provided by investing activities	26,561	-	54,492	81,053	-
Net increase in cash and cash equivalents	775,327	12,122	42,021	829,470	455,483
Cash and cash equivalents, beginning of year	6,105,318	68,520	933,882	7,107,720	614,787
Cash and cash equivalents, end of the year	\$ 6,880,645	\$ 80,642	\$ 975,903	\$ 7,937,190	\$ 1,070,270
Reconciliation to statement of net position					
Cash and cash equivalents	\$ 6,755,087	\$ 80,642	\$ 975,903	\$ 7,811,632	\$ 1,070,270
Restricted cash and cash equivalents	125,558	-	-	125,558	-
	\$ 6,880,645	\$ 80,642	\$ 975,903	\$ 7,937,190	\$ 1,070,270
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 2,785,867	\$ (21,308)	\$ 2,521	\$ 2,767,080	(174,820)
Adjustments to reconcile operating income (loss) to Net cash provided by (used in) operating activities:					
Depreciation	764,923	-	13,542	778,465	150,695
Effects of changes in assets and liabilities:					
Accounts receivable	(378,533)	37,968	17,043	(323,522)	-
Accounts payable	6,859	3,462	(1,639)	8,682	(187,816)
Accrued wages	8,795	-	2,949	11,744	-
Compensated absences	19,820	-	2,206	22,026	-
Customer and escrow deposits	(16,754)	-	-	(16,754)	-
Net pension liability and OPEB obligation	134,867	-	35,907	170,774	-
Net cash provided by operating activities	\$ 3,325,844	\$ 20,122	\$ 72,529	\$ 3,418,495	\$ (211,941)
Noncash disclosures:					
Transfer in (out) of capital assets	-	-	40,272	40,272	(40,272)

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



Town of Fairview, Texas

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

The Town of Fairview, Texas (the Town) was incorporated in 1958, under the provisions of Chapter 11, Title 28, Texas Revised Civil Statutes of 1925. In 2006, the Town adopted a charter making it a home-rule Town operating under a Council-Manager form of government. The Town provides such services as authorized by its charter to advance the welfare, health, comfort, safety and convenience of its inhabitants. The Town is a municipal corporation governed by an elected mayor and six-member Town Council.

The accounting and reporting policies of the Town conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, deferred inflows and outflows of resources, the disclosure of contingent assets and liabilities, and the reported revenues, expenditures, and expenses. Actual results could vary from the estimates that are used. The more significant accounting policies of the Town are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GASB Statement No. 34, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the Town's governmental activities, business-type activities and activities of its discretely presented component units on the statement of net position and statement of activities. Significantly, the Town's statement of net position includes both noncurrent assets and noncurrent liabilities of the Town. In addition, the government-wide statement of activities reflects depreciation expenses on the Town's capital assets, including infrastructure.

In addition to the government-wide financial statements, the Town has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Required Supplementary Information (RSI)

The Town presents Management's Discussion and Analysis, which includes an analytical overview of the Town's financial activities. In addition, a budgetary comparison schedule is presented that compares the original adopted and final amended General Fund budget with actual results. The TMRS Required Supplementary Information shows the net pension and OPEB liabilities calculation for the Town, as well as the Town's required annual contributions compared to actual contributions remitted.

B. Financial Reporting Entity

The Town's basic financial statements include the accounts of all Town operations. In evaluating how to define the government for financial reporting purposes, management has considered all entities for which the Town is considered to be financially accountable. As required by GAAP, these financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable.

Town of Fairview, Texas

Notes to the Basic Financial Statements

The Town is financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt a budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government.

The following entities were found to be component units of the Town and are included in the basic financial statements:

Discretely Presented Component Units:

- Fairview Economic Development Corporation (FEDC) – The FEDC is responsible for aiding, promoting and furthering economic development within the Town.
- Fairview Community Development Corporation (FCDC) – The FCDC is responsible for all of the functions of the FEDC as well as supporting the improvements in community parks and recreation, and special events.

The members of both the FEDC's and FCDC's Board of Directors are appointed by the Town Council. Both the FEDC and FCDC are fiscally dependent upon the Town as the Town Council approves their budgets and must approve any debt issuance. However, the component units do not qualify for blending because the component services directly benefit the community rather than the Town itself. The FEDC and FCDC are discretely presented as governmental fund types and do not issue separate financial statements.

The discretely presented component units' financial statements are included with the financial statements of the Town. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the Town.

Blended Component Unit:

- Tax Increment Reinvestment Zone (TIRZ) – The TIRZ serves to facilitate development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the designated zone located between U.S. 75 and SH 5.

The Town Council appoints four out of the five Board of Directors members for the TIRZ and the Town Council must approve all project and financing plans for the TIRZ. Since the TIRZ board is substantively the same as the governing body of the Town and the TIRZ provides services entirely to the primary government and exclusively benefits the Town, the TIRZ is considered a blended component unit and is presented as a Special Revenue Fund in the Town's financial statements.

Town of Fairview, Texas

Notes to the Basic Financial Statements

C. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the Town as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. Additionally, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, Public works, etc.) or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, b) grants and contributions that are restricted to meeting the operational requirements of a particular function or program, or c) grants and contributions that are restricted to meeting the capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are also reported as general revenues rather than as program revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, the debt service fund, the capital projects fund, and the relief fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The non-major funds are detailed in the combining section of the financial statements.

As a general rule, the effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. 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 statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The government-wide and proprietary fund financial statements follow the accounting set forth by the Governmental Accounting Standards Board.

Town of Fairview, Texas

Notes to the Basic Financial Statements

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

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The governmental fund financial statements follow the accounting set forth by the Governmental Accounting Standards Board.

Property taxes, sales taxes, franchise fees, certain other fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Fund Accounting

The following major funds are used by the Town:

1. Governmental Funds:

Governmental Funds are those through which most governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of changes in financial position, rather than on net income determination. The following is a description of the major Governmental Funds of the Town:

- a) The **General Fund** is the Town's primary operating fund. This fund is used to account for all financial resources of the general government, except those required to be accounted for in other funds.
- b) The **Debt Service Fund** is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general obligation long-term debt paid from taxes levied by the Town.
- c) The **Capital Projects Fund** is used to account for the acquisition or construction of capital facilities and improvements except those being financed by proprietary funds.
- d) The **Relief Fund** accounts for the funds received from Collin County under the CARES Act and American Rescue Plan Act.

The Town reports the following non-major governmental funds.

- a) The **Court Fund** accounts for fines and forfeitures assessed which are restricted for court technology and security disbursements.
- b) The **Fire Donations Fund** accounts for funds provided by private donors or donations from the \$1 fire donation selection on each utility customer's monthly bill to assist in the purchase of fire department equipment and related expenses.
- c) The **Tax Increment Reinvestment Zone** accounts for property taxes on improvements in the Town's Tax Increment Reinvestment Zone Number One. These funds may only be used for capital improvements within the zone.
- d) The **Hotel/Motel Fund** accounts for hotel/motel taxes from the Town's two hotels. These funds may only be used for development costs within the town.

Town of Fairview, Texas

Notes to the Basic Financial Statements

Governmental funds with legally adopted annual budgets include the General Fund.

2. Proprietary Funds:

Proprietary Funds are accounted for using an economic resources measurement focus. The accounting objectives are a determination of net income, financial position, and changes in cash flows. All assets and liabilities, and deferred inflows and outflows of resources associated with a proprietary fund's activities are included on its statement of net position.

The proprietary funds are financed and operated in a manner similar to private business enterprise. The costs (expenses including depreciation on capital assets) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The following is a description of the major enterprise funds of the Town:

The **Water and Sewer Fund** is used to account for the operations of providing water and sewer services to residential and commercial customers.

The **Solid Waste Fund** is used to account for the collection of trash and recyclables from residential users.

The **Storm Water Fund** is used to account for the operations of the stormwater drainage system.

The Town also maintains one internal service fund (vehicle replacement fund). The **Internal Service Fund** is used to account for the financing of vehicles provided by one department to other departments of the Town, generally on a cost-reimbursement basis.

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity date within three months of the date acquired by the Town. Because the Town at its option can withdraw funds within a twenty-four hour period, deposits with the local government investment pools i.e. (TexPool, TexStar and LoneStar) are considered to be cash equivalents.

The Town may invest in certificates of deposit, authorized investment pools and funds, U.S. and State of Texas Government Securities, and repurchase agreements. Investments purchased with pooled cash, as well as separate investments, are recorded at fair value. The fair value is based on the market price. The fair value of the local government investment pools are the same as the fair value of the pool shares.

F. Accounts Receivable

Accounts receivable consist primarily of amounts due from citizens for various services provided by the Town as well as property taxes and sales taxes receivable. Management evaluates the adequacy of the allowance for doubtful accounts based on a review of the aging of accounts and other specific information known by management.

G. Restricted Assets

Certain resources set aside for the repayment of bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements. When the Town incurs an expense for which it may use either restricted or unrestricted assets, it uses restricted assets first.

Town of Fairview, Texas

Notes to the Basic Financial Statements

H. 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. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

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.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	40
System Infrastructure	30 - 40
Equipment	5 - 10
Vehicles	5

I. Interfund Transactions

During the course of normal operations, the Town has transactions between funds for goods provided or services rendered. "Services rendered" are primarily to allocate the overhead costs of administering the Town Administrators and Financial staff. This may include unallocated portions of salary expenses for Administrative and Financial staff as well as other costs such as facility, copiers, and office equipment costs. Transfers from impact fee funds are simply to move funds from revenue tracking funds to expense/construction funds.

J. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused "paid time off" which can be used for illness, disability, vacations or other absences. All time is accrued when incurred in the government-wide and proprietary fund financial statements.

K. Long-term Obligations

In the government-wide financial statements and proprietary 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.

Town of Fairview, Texas

Notes to the Basic Financial Statements

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

L. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Town's Total Pension and OPEB Liabilities is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

M. Leases

The Town is a lessor for noncancellable leases of property. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The Town recorded lease revenue, including interest, of \$216,945 during the fiscal year ended September 30, 2023.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Town of Fairview, Texas

Notes to the Basic Financial Statements

N. Deferred Inflows / Outflows of Resources

In addition to assets and liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has the following items that qualify for reporting as deferred outflows:

Deferred Loss on Refunding – these deferred outflows result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Pensions and OPEB – these deferred outflows result from pension and OPEB contributions after the measurement date (deferred and recognized as a reduction of the applicable pension or OPEB liability in the following fiscal year) and differences between projected and actual investment earnings (deferred and amortized over a closed five year period), as well as changes in actuarial assumptions on the Pension and OPEB plans and differences between expected and actual economic experience on pension assets (which are deferred and amortized over the estimated average remaining service lives of the employees in the plan).

Deferred inflows of resources represent the acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports certain deferred inflows related to pensions and OPEB (similar to the deferred outflows described above) on the government-wide statement of net position and unavailable tax revenues and fees at the fund level. In addition, reported on both the government-wide and proprietary fund financial statements, there is a deferred inflow related to leases. This amount is initially an offset to lease receivable recorded at lease commencement, and subsequently, recognized as revenue over the life of the lease term.

O. Fund Equity

The Town has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements.

Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the Town classifies governmental fund balances as follows:

Nonspendable: includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

Restricted: includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Town of Fairview, Texas

Notes to the Basic Financial Statements

Committed: includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision making authority, which is the Town Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is an ordinance adopted by the Town Council. The ordinance must either adopt or rescind the commitment, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

Assigned: includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used by the Town for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The Town Council has authorized the Town Manager or his or her designee as the official authorized person to assign fund balance to a specific purpose as approved by the fund balance policy.

Unassigned: the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Order of Expenditure of Funds – When multiple categories of fund balance are available for expenditure, the Town will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Net position represents the difference between assets, liabilities, deferred inflows and outflows of resources. 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 debt proceeds. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

P. Recent Accounting Pronouncements

The GASB has issued Statement No. 91, "*Conduit Debt Obligations*" ("GASB 91"), which was effective in fiscal year 2023. The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This standard had no significant impact on the Town.

The GASB has issued Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" ("GASB 94"), which was effective in fiscal years 2023. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period of time in an exchange or exchange-like transaction. This standard had no significant impact on the Town.

Town of Fairview, Texas

Notes to the Basic Financial Statements

The GASB has issued Statement No. 96, "Subscription-Based Information Technology Arrangements" ("GASB 96"), which was effective in fiscal year 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This standard had no significant impact on the Town.

The GASB has issued Statement No. 99, "Omnibus 2022" ("GASB 99"), which will be effective in fiscal year 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. This standard had no significant impact on the Town.

GASB issued the following new accounting standards that are expected to be implemented by the Town in future years:

The GASB has issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62" (GASB 100), which will be effective in fiscal year 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. 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. The Town has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 101, "Compensated Absences" (GASB 101), which will be effective in fiscal year 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Town has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 102, "Certain Risk Disclosures" (GASB 102), which will be effective in fiscal year 2025. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow or resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. The Town has not yet evaluated the impact of the implementation of this standard.

Town of Fairview, Texas

Notes to the Basic Financial Statements

Q. Subsequent Events

The Town has evaluated all events or transactions that occurred after September 30, 2023 through March 26, 2024, the date the financial statements were available to be issued.

On October 2, 2023, the Town issued \$1,465,000 of Limited Tax Notes, Series 2023. The proceeds will be used to repair an air conditioning system at Fire Station #2, purchase a new ambulance, and complete park trail improvements.

Note 2. Cash and Investments

The Town has adopted an investment policy pursuant to Chapter 2256 of the Texas Government Code, which authorizes the Town's investments in United States government obligations and its agencies, obligations of Texas and its agencies, fully collateralized repurchase agreements, certificates of deposit, government pools, and money market funds. The Town selects its investments based on safety, liquidity, yield, and public trust.

At year end, the carrying amount of the Town's deposits (including those of the component units) was \$4,364,875 and the bank balance was \$4,688,416. The bank balance was completely covered by federal deposit insurance and collateral held by the pledging financial institution in the Town's name.

Cash and investments as of September 30, 2023 consist of and are classified in the accompanying financial statements as follows:

Primary government:	
Cash and cash equivalents	\$ 25,271,927
Restricted cash and cash equivalents	125,558
Component units:	
Cash and cash equivalents	<u>3,401,234</u>
Total cash and investments	<u>\$ 28,798,719</u>
Cash on hand	\$ 1,100
Carrying amount of deposits	4,364,875
Carrying amount of investments	<u>24,432,744</u>
Total cash and investments	<u>\$ 28,798,719</u>

The table below identifies the investment types that are authorized for the Town by the Public Funds Investment Act. (Government Code Chapter 2256) The table also identifies certain provisions of the Town's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

Town of Fairview, Texas

Notes to the Basic Financial Statements

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury obligations	2 years	None	None
U.S. Agency obligations	2 years	None	None
Certificates of deposit	2 years	None	None
Direct repurchase agreements	90 days	10%	None
No-load money market mutual funds	60 days	None	None
Direct obligations of State of Texas	2 years	80%	None
Direct obligations of United States of America	5 years	80%	None
Investment pools	1 year	None	None

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Town of Fairview, Texas

Notes to the Basic Financial Statements

The Town's investments are measured as presented in the table below. The Town's investment balances, weighted average maturity, and credit risk of such investments are as follows:

	September 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Weighted Average Maturity	Minimum Legal Rating	Rating as of Year End
Investments Measured at Amortized Cost:							
Investment Pools:							
TexPool	\$ 15,522,685	\$ -	\$ -	\$ -	26 days	AAAm	AAAm
LoneStar	758,768	-	-	-	21 days	AAA	AAA
TexStar	8,151,291	-	-	-	40 days	AAAm	AAAm
Investment Pools Total	\$ 24,432,744	\$ -	\$ -	\$ -			

The TexPool, TexStar and Lone Star investment pools are external investment pools measured at amortized cost to report net position to compute share prices. Accordingly, the fair value of the position in these pools is the same as the value of the shares in each pool. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less. Investments held are highly rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. TexPool, TexStar and Lone Star have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

Town of Fairview, Texas

Notes to the Basic Financial Statements

These local government investment pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The Texas Local Government Investment Pool (TexPool), TexStar Investment Pool, and Lone Star Investment Pool are organized in conformity with 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 Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool. The Town is a voluntary participant in TexPool. The fair value of the position in TexPool is the same as the value of TexPool shares.

Texas Short Term Asset Reserve Program ("TEXSTAR"). TexSTAR is governed by a board of directors. TexSTAR is administered by HilltopSecurities and J.P. Investment Management Inc. TexSTAR is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity and competitive yield. The fund is rated AAAM by Standard and Poor's and maintains a maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The fund seeks to maintain a constant dollar objective and fulfills all requirements of the Texas PFIA for local government investment pools.

Lone Star Investment Pool is administered by First Public which is a wholly-owned subsidiary of the Texas Association of School Boards (TASB). First Public is also a registered broker-dealer with the Securities and Exchange Commission. The Pool is governed by an 11 member Board of Trustees, consisting of individuals representing entities participating in the Pool. The fair value of the Town's position in the Pool is the same as the value of the Pool shares.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

In accordance with its investment policy, the Town manages its exposure to declines in fair value by limiting the weighted average maturity of its non-bond proceed investments to less than one year from the time of purchase.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented above is the minimum rating required by (where applicable) the Public Funds Investment Act, the Town's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Town of Fairview, Texas

Notes to the Basic Financial Statements

Concentration of Credit Risk

The Town's investment policy is to avoid a concentration of assets in a specific maturity, a specific issue, or a specific class of investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

The Town requires all deposits to be covered by Federal Depository Insurance Corporation (FDIC) insurance and/or collateralized by qualified securities pledged by the Town's depository in the Town's name and held by the depository's agent.

As of September 30, 2023 the Town deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

Note 3. Property Taxes

Taxes are levied on October 1 and are payable until February 1 without penalty. Property taxes attach as an enforceable lien on property as of February 1. The total net taxable assessed value upon which the fiscal 2023 levy was based was \$2,623,532,822. Such assessed value was computed based on 100% appraised values.

Article XI, Section 5 of the Texas Constitution allows a tax rate up to \$2.50 per \$100 valuation. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2023 was \$0.321577 per \$100 of assessed valuation. Current tax collections for the year ended September 30, 2023 were approximately 99% of the tax levy.

Town of Fairview, Texas

Notes to the Basic Financial Statements

Note 4. Receivables

Receivables as of year-end for the government's individual major funds, non-major funds in the aggregate and discretely presented component units, including the applicable allowances for uncollectible accounts as of September 30, 2023 are as follows:

	Governmental Funds				
	General	Debt Service	Capital Projects	Nonmajor Funds	Total
Property taxes	\$ 170,242	\$ 76,050	\$ -	\$ -	\$ 246,292
Sales taxes	373,554	-	-	-	373,554
Franchise taxes	199,332	-	-	-	199,332
Hotel/motel taxes	-	-	-	16,507	16,507
Grants	-	-	876,474	-	876,474
Other	235,711	-	-	2,987	238,698
Gross receivables	978,839	76,050	876,474	19,494	1,950,857
Less: allowances	(80,511)	-	-	-	(80,511)
Net total receivables	\$ 898,328	\$ 76,050	\$ 876,474	\$ 19,494	\$ 1,870,346

	Enterprise Funds			
	Water and Sewer	Solid Waste	Storm Water	Total
Utility bills	\$ 1,855,828	\$ 90,413	\$ 28,645	\$ 1,974,886
Leases	1,785,209	-	-	1,785,209
Total receivables	\$ 3,641,037	\$ 90,413	\$ 28,645	\$ 3,760,095

	Component Units		
	EDC	CDC	Total
Sales taxes	\$ 181,217	\$ 181,217	\$ 362,434
Total receivables	\$ 181,217	\$ 181,217	\$ 362,434

Leases receivable – The Town has entered into multiple lease agreements as lessor. The leases allow the right-to-use cell sites to other organizations over the term of the lease. The Town receives annual or monthly payments at the interest rate stated or implied within the leases. The interest rates for these leases are 2.99%. The Town has \$1,785,209 remaining in lease receivables and \$1,702,391 remaining in deferred inflows as of September 30, 2023.

	Interest Rates	Receivable at Commencement	Lease Term in Years	Ending Balance
Water and sewer fund Cell sites	2.99%	\$ 2,048,239	10-25	\$ 1,785,209

Town of Fairview, Texas
Notes to the Basic Financial Statements

Note 5. Capital Assets

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

	Beginning Balance	Increases	Decreases	Adjustments/ Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 5,204,969	\$ 520,000	\$ -	\$ -	\$ 5,724,969
Construction in progress	911,898	4,376,890	-	(683,770)	4,605,018
Total capital assets, not being depreciated	6,116,867	4,896,890	-	(683,770)	10,329,987
Capital assets being depreciated:					
Infrastructure	23,515,035	-	-	132,280	23,647,315
Buildings and improvements	18,125,141	-	-	551,490	18,676,631
Furniture and equipment	4,833,558	-	(10,960)	-	4,822,598
Vehicles	1,457,428	157,576	(93,077)	(40,272)	1,481,655
Total capital assets being depreciated	47,931,162	157,576	(104,037)	643,498	48,628,199
Less accumulated depreciation for:					
Infrastructure	7,288,454	833,291	-	-	8,121,745
Buildings and improvements	3,726,336	504,403	-	-	4,230,739
Furniture and equipment	2,909,941	224,855	(10,960)	-	3,123,836
Vehicles	1,294,656	98,256	(93,077)	-	1,299,835
Total accumulated depreciation	15,219,387	1,660,805	(104,037)	-	16,776,155
Total capital assets being depreciated, net	32,711,775	(1,503,229)	-	643,498	31,852,044
Governmental activities capital assets, net	\$ 38,828,642	\$ 3,393,661	\$ -	\$ (40,272)	\$ 42,182,031
	Beginning Balance	Increases	Decreases	Adjustments/ Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 113,384	\$ -	\$ -	\$ -	\$ 113,384
Total capital assets, not being depreciated	113,384	-	-	-	113,384
Capital assets being depreciated:					
Utility Plant	26,181,882	-	-	-	26,181,882
Buildings and improvements	203,323	-	-	-	203,323
Furniture and equipment	672,974	-	-	-	672,974
Vehicles	154,411	-	(30,898)	40,272	163,785
Total capital assets being depreciated	27,212,590	-	(30,898)	40,272	27,221,964
Less accumulated depreciation for:					
Utility Plant	8,957,967	708,619	-	-	9,666,586
Buildings and improvements	111,579	11,457	-	-	123,036
Furniture and equipment	469,518	47,508	-	-	517,026
Vehicles	162,201	10,881	(37,078)	-	136,004
Total accumulated depreciation	9,701,265	778,465	(37,078)	-	10,442,652
Total capital assets being depreciated, net	17,511,325	(778,465)	6,180	40,272	16,779,312
Business-type activities capital assets, net	\$ 17,624,709	\$ (778,465)	\$ 6,180	\$ 40,272	\$ 16,892,696

Town of Fairview, Texas

Notes to the Basic Financial Statements

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

Depreciation by function:	
Governmental activities:	
General government	\$ 176,935
Public safety	549,791
Public works	788,379
Parks and recreation	145,700
	<u>\$ 1,660,805</u>
Business-type activities:	
Water and Sewer	\$ 764,923
Stormwater	13,542
	<u>\$ 778,465</u>

Note 6. Interfund Transactions

A summary of interfund receivables and payables at September 30, 2023 is as follows:

Due from	Due to General Fund
Storm water fund	\$ 1,502
Water and sewer fund	12,523
	<u>\$ 14,025</u>

The General Fund receivable is related to expenses paid by the General Fund, that will be reimbursed by the associated funds. All interfund balances are considered short-term and will be repaid within the year.

Transfers between funds during the year were as follows:

Transfer Out	Transfer In	Amount	Purpose
Storm Water Fund	General Fund	\$ 2,400	To fund information technology expenses
Solid Waste Fund	General Fund	3,000	To fund information technology expenses
Water and Sewer Fund	General Fund	32,400	To fund information technology expenses
Non-major Governmental Fund	General Fund	12,500	To fund information technology expenses
Storm Water Fund	General Fund	37,600	Cost allocation for administrative costs
Solid Waste Fund	General Fund	5,000	Cost allocation for administrative costs
Non-major Governmental Fund	Capital Projects Fund	931,500	To fund capital, street, and park projects
Water and Sewer Fund	Capital Projects Fund	680,000	To fund capital, street, and park projects
Non-major Governmental Fund	General Fund	15,000	Cost allocation for court operations
Non-major Governmental Fund	General Fund	110,000	Cost allocation for marketing costs
Storm Water Fund	Water and Sewer Fund	20,000	Cost allocation for billing costs
Water and Sewer Fund	General Fund	685,000	Cost allocation for administrative costs
Non-major Governmental Fund	Debt Service Fund	75,000	To subsidize the debt service payments
Storm Water Fund	Internal Service Fund	25,000	Set up Vehicle Replacement Fund
General Fund	Internal Service Fund	400,000	Set up Vehicle Replacement Fund
Water and Sewer Fund	Internal Service Fund	400,000	Set up Vehicle Replacement Fund
		<u>\$ 3,434,400</u>	

Town of Fairview, Texas

Notes to the Basic Financial Statements

Transfers out of the Internal Service fund include \$40,272 of equipment from the Vehicle and Equipment Replacement fund to the Storm Water fund.

Transfers are used to provide funds for debt service, contributions for capital construction, cost allocations and other operational costs as determined by the Town's annual budget.

Note 7. Long-Term Debt

The Town issues general obligation bonds and certificates of obligation and revenue bonds, as well as financed purchases, to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The Town also issues combination tax and limited surplus certificates of obligation that are secured by ad valorem taxes as well as a limited pledge of the surplus net revenues of the Town's waterworks and sewer system.

The following is a summary of changes in long-term debt for the year ended September 30, 2023:

	Beginning Balance	Additions	Retired or Refunded	Ending Balance	Amount Due within One year
Governmental activities:					
General obligation bonds	\$ 12,183,442	\$ -	\$ (990,597)	\$ 11,192,845	\$ 943,648
Certificates of obligation	6,385,000	-	(510,000)	5,875,000	525,000
Unamortized bond premium	2,032,929	-	(207,175)	1,825,754	-
Net pension liability	414,043	2,258,184	-	2,672,227	-
Total OPEB liability	104,284	-	(30,051)	74,233	-
Compensated absences	780,770	865,315	(780,770)	865,315	865,315
Financed purchases	493,812	-	(69,106)	424,706	71,934
	<u>22,394,280</u>	<u>3,123,499</u>	<u>(2,587,699)</u>	<u>22,930,080</u>	<u>2,405,897</u>
Business-type activities:					
General obligation bonds	1,611,558	-	(324,403)	1,287,155	421,352
Certificates of obligation	5,355,000	-	(220,000)	5,135,000	230,000
Unamortized bond premium	460,326	-	(72,154)	388,172	-
Net pension liability	89,099	396,410	-	485,509	-
Total OPEB liability	18,307	-	(5,275)	13,032	-
Compensated absences	72,705	94,731	(72,705)	94,731	94,731
	<u>7,606,995</u>	<u>491,141</u>	<u>(694,537)</u>	<u>7,403,599</u>	<u>746,083</u>
Total Primary Government	<u>\$ 30,001,275</u>	<u>\$ 3,614,640</u>	<u>\$ (3,282,236)</u>	<u>\$ 30,333,679</u>	<u>\$ 3,151,980</u>

For the governmental activities, the net pension liability and the other post-employment benefit liability are generally liquidated by the General Fund.

Town of Fairview, Texas
Notes to the Basic Financial Statements

Long-term debt of the Town is comprised of the following individual issues as of September 30, 2023.

<u>Governmental Activities:</u> Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rates	Balance 9/30/2023
General Obligation Bonds:					
Refunding	\$ 658,172	2013	2025	2.00% - 3.00%	\$ 100,971
Refunding	1,161,898	2016	2027	2.00% - 4.00%	771,874
Refunding & improvements	12,768,662	2020	2050	2.375% - 5.00%	10,320,000
Total General Obligation Bonds					11,192,845
Certificates of Obligation:					
Improvements	3,565,000	2013	2028	2.00% - 4.00%	1,375,000
Improvements	5,840,000	2016	2036	2.00% - 4.00%	4,500,000
Total Certificates of Obligation					5,875,000
Total Governmental Activities Debt					\$ 17,067,845

<u>Business-Type Activities:</u> Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rates	Balance 9/30/2023
General Obligation Bonds:					
Improvements	1,101,828	2013	2025	2.00% - 3.00%	\$ 169,029
Improvements	1,683,102	2016	2027	2.00% - 4.00%	1,118,126
Total General Obligation Bonds					1,287,155
Certificates of Obligation:					
Improvements	5,570,000	2019	2039	3.00% - 5.00%	5,135,000
Total Certificates of Obligation					5,135,000
Total Business-Type Activities Debt					\$ 6,422,155

The annual aggregate maturities for each bond type are as follows:

General Obligation Bonds and Certificates of Obligation:

Fiscal Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,468,648	\$ 676,018	\$ 2,144,666	\$ 651,352	\$ 228,951	\$ 880,303
2025	1,466,637	618,391	2,085,028	573,363	208,234	781,597
2026	1,512,368	552,184	2,064,552	562,632	183,323	745,955
2027	1,515,192	482,964	1,998,156	489,808	158,017	647,825
2028	1,430,000	413,006	1,843,006	280,000	135,400	415,400
2029-2033	3,585,000	1,452,431	5,037,431	1,585,000	489,800	2,074,800
2034-2038	2,365,000	787,231	3,152,231	1,870,000	205,050	2,075,050
2039-2043	1,390,000	436,856	1,826,856	410,000	6,150	416,150
2044-2048	1,625,000	199,484	1,824,484	-	-	-
2049-2050	710,000	16,981	726,981	-	-	-
Total	\$ 17,067,845	\$ 5,635,546	\$ 22,703,391	\$ 6,422,155	\$ 1,614,925	\$ 8,037,080

Town of Fairview, Texas

Notes to the Basic Financial Statements

Compensated Absences

Substantially all vacation and sick leave is paid by the General Fund. Accrued vacation and sick pay are reported in governmental funds only if termination has occurred and the balance is due. All compensated absences are considered to be current portions of long-term obligations, as the Town expects them to be used within the next year, even though the unused vacation and sick pay balances can continue to be rolled forward year to year, based on Town policies.

Financed Purchases

On April 2, 2019, the Town entered into an agreement with BB&T to purchase a firetruck. The agreement is for an approximate 10 year term and expires February 15, 2029. Payments are \$84,495 annually and carry an effective interest rate of 3.09%.

The assets under a financed purchase arrangement at September 30, 2023 are as follows:

Asset	<u>Governmental Activities</u>
Equipment	\$ 723,532
Less: accumulated depreciation	<u>(180,883)</u>
Total	<u>\$ 542,649</u>

Pursuant to the terms of the financed purchase agreements, the following schedule represents the net present value of these minimum lease payments as of September 30:

Fiscal Year Ending	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 71,934	\$ 12,561	\$ 84,495
2025	74,173	10,322	84,495
2026	76,483	8,012	84,495
2027	78,864	5,631	84,495
2028	81,320	3,175	84,495
Thereafter	<u>41,932</u>	<u>644</u>	<u>42,576</u>
Total	<u>\$ 424,706</u>	<u>\$ 40,345</u>	<u>\$ 465,051</u>

Town of Fairview, Texas

Notes to the Basic Financial Statements

Note 8. Pension Plan

A. Plan Description

The Town participates as one of 919 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

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

B. Benefits Provided

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

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

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service. A member is vested after 5 years. The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS and within the actuarial constraints of the statutes.

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	13
Inactive employees entitled to but not yet receiving benefits	47
Active employees	73
Total	<u>133</u>

C. Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, and the Town matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for each Town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The Town's contribution rate is based on the liabilities created from the benefit plan options selected by the Town and any changes in benefits or actual experience over time.

Town of Fairview, Texas

Notes to the Basic Financial Statements

Employees for the Town were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the Town were 11.22% and 11.13% in calendar years 2022 and 2023, respectively. The Town's contributions to TMRS for the year ended September 30, 2023, were \$865,299, and were equal to the required contributions.

D. Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

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

Town of Fairview, Texas

Notes to the Basic Financial Statements

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global public equity	35.0%	7.70%
Core fixed income	6.0%	4.90%
Non-core fixed income	20.0%	8.70%
Other public and private markets	12.0%	8.10%
Real estate	12.0%	5.80%
Hedge funds	5.0%	6.90%
Private equity	10.0%	11.80%
Total	100.0%	

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 Member 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 Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Allocations

The Town's net pension liability, pension expense, and deferred outflows of resources related to TMRS have been allocated between governmental activities and the business-type activities using a contribution-based method.

Town of Fairview, Texas
Notes to the Basic Financial Statements

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2021	\$ 14,456,284	\$ 13,953,142	\$ 503,142
Changes for the year			
Service cost	1,065,401	-	1,065,401
Interest	1,065,146	-	1,065,146
Changes of benefit terms	1,004,411	-	1,004,411
Difference between expected and actual experience	(399,381)	-	(399,381)
Changes of assumptions	-	-	-
Contributions - employer	-	676,319	(676,319)
Contributions - employee	-	426,892	(426,892)
Net investment income	-	(1,023,928)	1,023,928
Benefit payments, including refunds of employee contributions	(426,915)	(426,915)	-
Administrative expense	-	(8,814)	8,814
Other changes	-	10,514	(10,514)
Net Changes	<u>2,308,662</u>	<u>(345,932)</u>	<u>2,654,594</u>
Balance at December 31, 2022	<u><u>\$ 16,764,946</u></u>	<u><u>\$ 13,607,210</u></u>	<u><u>\$ 3,157,736</u></u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town'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 in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net Pension Liability	\$5,905,218	\$3,157,736	\$938,723

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating Town. That report may be obtained at tmrs.com.

Town of Fairview, Texas

Notes to the Basic Financial Statements

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the Town recognized pension expense of \$1,986,793.

At September 30, 2023, the Town 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	\$ 150,670	\$ (335,683)
Changes in actuarial assumptions	25,308	-
Difference between projected and actual investment earnings	966,734	-
Contributions subsequent to the measurement date	671,718	-
Total	\$ 1,814,430	\$ (335,683)

\$671,718 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30,	
2024	\$ 93,989
2025	223,945
2026	222,888
2027	344,027
2028	(60,627)
Thereafter	(17,193)
	<u>\$ 807,029</u>

Note 9. Other Post-Employment Benefits (OPEB) Plan

A. Plan Description

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The Town has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for Town reporting.

Town of Fairview, Texas

Notes to the Basic Financial Statements

B. Benefits Provided

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 another 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).

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	4
Active employees	73
	<hr/>
	84

C. Contributions

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of the plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of contribution rates to the SDBF for the Town was 0.02% in calendar year 2022 and 0.03% in calendar year 2023. The Town's contributions to the SDBF for the year ended September 30, 2023 were \$1,815, and were equal to the required contributions.

D. Total OPEB Liability

The Town's Total OPEB Liability (TOL) was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Town of Fairview, Texas

Notes to the Basic Financial Statements

E. Actuarial Assumptions

The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5% to 11.5% including inflation
Discount rate	4.05%
Retiree's share of benefit-related costs	\$0

The discount rate was based on the Fidelity Index "20-Year Municipal GO AA Index" rate as of December 31, 2022. All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68. Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables projected on a fully generational basis with scale UMP. Mortality rates for disabled retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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.

F. Changes in Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2021	\$ 122,591
Changes for the year	
Service Cost	18,905
Interest on Total OPEB Liability	2,418
Changes of Benefit terms	-
Differences between expected and actual experience	(12,014)
Changes in assumptions or other inputs	(43,415)
Benefit payments	(1,220)
Net changes	(35,326)
Balance at December 31, 2022	\$ 87,265

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

The following presents the total OPEB liability of the Town, calculated using the discount rate of 4.05%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.05%) or 1 percentage-point higher (5.05%) than the current rate:

	1% Decrease (3.05%)	Current Discount Rate (4.05%)	1% Increase (5.05%)
Total OPEB Liability	\$ 104,187	\$ 87,265	\$ 74,013

Town of Fairview, Texas

Notes to the Basic Financial Statements

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the Town recognized pension expense of \$15,995. At September 30, 2023, the Town reported deferred outflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ -	\$ (30,737)
Changes in actuarial assumptions	24,228	(41,170)
Contributions subsequent to the measurement date	<u>1,470</u>	<u>-</u>
	<u>\$ 25,698</u>	<u>\$ (71,907)</u>

The \$1,470 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will reduce the Total OPEB Liability during the year ending September 30, 2024. The other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Fiscal Year Ended September 30,	
<u> </u>	
2024	\$ (5,328)
2025	(5,328)
2026	(5,328)
2027	(5,386)
2028	(5,746)
Thereafter	<u>(20,563)</u>
	<u>\$ (47,679)</u>

Note 10. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Town is a participant in the Texas Municipal League Workers' Compensation Joint Insurance Fund (WC Fund) and the Texas Municipal League Joint Self-Insurance Fund (Property-Liability Fund), a public entity risk pool operated by the Texas Municipal League Board for the benefit of 1,115 individual governmental units located within Texas. The Town pays an annual premium to the funds for its workers' compensation and property and liability insurance coverage. The WC Fund and Property-Liability Fund are considered self-sustaining risk pools that provide coverage for its members for up to \$1,000,000 per occurrence with a \$2,000,000 annual aggregate. There is a deductible of \$5,000 due from the Town per claim for errors and omissions liability claims and a \$2,500 deductible for general liability.

Town of Fairview, Texas

Notes to the Basic Financial Statements

There were no reductions in insurance coverage and the Town had not been declined coverage for any exposures or limits of liability and/or scheduled covered amounts from the previous year. Settled claims for risks have not exceeded insurance coverage for the past three years.

Note 11. Tax Abatements

The Town enters into economic development agreements authorized under Chapter 380 of the Texas Local Government Code. These agreements are planning tools designed to stimulate economic activity, redevelopment, community improvement, and provide a return on investment for the community. These programs abate or rebate on sales taxes and may include other incentive payments such as fee reductions or construction costs reimbursements. Economic development agreements are considered on a case-by-case basis by the Town Council and generally contain recapture provisions, which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

Chapter 380 of the Texas Local Government Code allows the Town to provide grants for the purpose of promoting local economic development. These grants are based on a percentage of property and/or sales tax received by the Town. For the fiscal year ending September 30, 2023, the Town rebated \$100,000 in sales taxes.

Required Supplementary Information





Town of Fairview, Texas

Schedule of Revenues, Expenditures and Changes In Fund Balances – Budget (GAAP Basis) and Actual – General Fund For the Fiscal Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 5,705,419	\$ 5,711,400	\$ 5,740,808	\$ 29,408
Sales taxes	1,900,000	2,097,000	2,086,909	(10,091)
Franchise taxes	608,000	712,500	700,471	(12,029)
Mixed beverage taxes	90,000	97,000	103,448	6,448
Charges for services	297,500	356,600	375,498	18,898
Permits	355,805	720,065	752,071	32,006
Fines and forfeitures	373,200	303,200	294,066	(9,134)
Intergovernmental	71,082	40,600	40,600	-
Interest Income	65,000	400,000	587,588	187,588
Miscellaneous	85,100	124,100	129,301	5,201
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	9,551,106	10,562,465	10,810,760	248,295
Expenditures:				
Current:				
General government	2,478,648	2,537,139	2,562,692	(25,553)
Public safety	6,620,273	6,922,120	7,060,645	(138,525)
Public works	939,098	536,006	535,711	295
Inspections	246,017	274,407	271,415	2,992
Municipal court	181,511	185,317	199,297	(13,980)
Parks and recreation	193,159	154,880	187,135	(32,255)
Capital outlay	-	21,000	-	21,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	10,658,706	10,630,869	10,816,895	(186,026)
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	(1,107,600)	(68,404)	(6,135)	62,269
Other financing sources (uses):				
Transfers in	1,102,900	902,900	902,900	-
Transfers out	-	(400,000)	(400,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	1,102,900	502,900	502,900	-
Net change in fund balance	<hr/>	<hr/>	<hr/>	<hr/>
	(4,700)	434,496	496,765	62,269
Fund balance at beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	5,937,824	5,937,824	5,937,824	-
Fund balance, end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 5,933,124	\$ 6,372,320	\$ 6,434,589	\$ 62,269

The Notes to the Budgetary Comparison Schedule are an integral part of this statement.

Town of Fairview, Texas

Notes to the Budgetary Comparison Schedule
For the Fiscal Year Ended September 30, 2023

Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriated budget is legally adopted for the general fund. All annual appropriations lapse at fiscal year-end.

The Town follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. Prior to September 1, the Town Council prepares a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through the passage of an ordinance and can be amended by the Council.
4. The Town Manager is authorized to transfer budgeted amounts between departments within any fund. Any revisions that alter the total expenditures of any fund must be approved by the Town Council.
5. Formal budgetary integration, using the modified accrual basis, is employed as a management control device during the year for the general fund.

B. Budgetary Variances

General Fund expenditures exceeded appropriations during fiscal year 2023 as follows:

- General government (\$25,553)
- Public safety (\$138,525)
- Municipal court (\$13,980)
- Parks and recreation (\$32,255)

Town of Fairview, Texas

Texas Municipal Retirement System

Schedule of Changes in Net Pension Liability and Related Ratios Last Nine Measurement Years (Unaudited)

	Measurement Year								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ 1,065,401	\$ 974,380	\$ 954,970	\$ 857,552	\$ 809,957	\$ 775,570	\$ 654,747	\$ 591,290	\$ 503,147
Interest (on the Total Pension Liability)	1,065,146	880,289	763,028	651,556	560,442	479,376	413,636	362,744	304,442
Changes of benefit terms	1,004,411	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(399,381)	83,225	81,931	112,214	48,823	1,978	(83,513)	(107,256)	38,408
Change in assumptions	-	-	-	66,968	-	-	-	143,787	-
Benefit payments, including refunds of employee contributions	(426,915)	(71,470)	(73,411)	(97,700)	(88,670)	(57,621)	(85,073)	(67,750)	(46,631)
Net change in total pension liability	2,308,662	1,866,424	1,726,518	1,590,590	1,330,552	1,199,303	899,797	922,815	799,366
Total pension liability - beginning	14,456,284	12,589,860	10,863,342	9,272,752	7,942,200	6,742,897	5,843,100	4,920,285	4,120,919
Total pension liability - ending (a)	16,764,946	14,456,284	12,589,860	10,863,342	9,272,752	7,942,200	6,742,897	5,843,100	4,920,285
Plan fiduciary net position:									
Contributions - employer	676,319	658,922	625,229	556,731	537,652	512,655	385,302	339,813	276,717
Contributions - employee	426,892	416,402	406,370	365,582	347,834	340,274	281,871	263,130	233,376
Net investment income	(1,023,928)	1,500,080	743,786	1,201,361	(215,203)	776,920	318,080	6,143	200,316
Benefit payments, including refunds of employee contributions	(426,915)	(71,470)	(73,411)	(97,700)	(88,670)	(57,621)	(85,073)	(67,750)	(46,631)
Administrative expense	(8,814)	(6,910)	(4,793)	(6,761)	(4,147)	(4,019)	(3,586)	(3,739)	(2,090)
Other	10,514	50	(187)	(203)	(215)	(202)	(194)	(185)	(172)
Net change in plan fiduciary net position	(345,932)	2,497,074	1,696,994	2,019,010	577,251	1,568,007	896,400	537,412	661,516
Plan fiduciary net position - beginning	13,953,142	11,456,068	9,759,074	7,740,064	7,162,813	5,594,806	4,698,406	4,160,994	3,499,478
Plan fiduciary net position - ending (b)	13,607,210	13,953,142	11,456,068	9,759,074	7,740,064	7,162,813	5,594,806	4,698,406	4,160,994
Net pension liability - ending (a) - (b)	\$ 3,157,736	\$ 503,142	\$ 1,133,792	\$ 1,104,268	\$ 1,532,688	\$ 779,387	\$ 1,148,091	\$ 1,144,694	\$ 759,291
Plan fiduciary net position as a percentage of total pension liability	81.16%	96.52%	90.99%	89.83%	83.47%	90.19%	82.97%	80.41%	84.57%
Covered payroll	\$ 6,098,463	\$ 5,948,598	\$ 5,805,289	\$ 5,222,606	\$ 4,969,059	\$ 4,740,656	\$ 4,026,734	\$ 3,758,998	\$ 3,333,941
Net pension liability as a percentage of covered payroll	51.78%	8.46%	19.53%	21.14%	30.84%	16.44%	28.51%	30.45%	22.77%

Note: Only nine years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Town of Fairview, Texas
Texas Municipal Retirement System
Schedule of Pension Contributions
Last Nine Fiscal Years
(Unaudited)

	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 865,299	\$ 673,969	\$ 654,163	\$ 598,869	\$ 561,809	\$ 535,533	\$ 508,156	\$ 385,928	\$ 330,951
Contributions in relation of the actuarially determined contribution	<u>865,299</u>	<u>673,969</u>	<u>654,163</u>	<u>598,869</u>	<u>561,809</u>	<u>535,533</u>	<u>508,156</u>	<u>385,928</u>	<u>330,951</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,624,799	\$ 6,012,654	\$ 5,873,515	\$ 5,487,954	\$ 5,174,388	\$ 4,904,537	\$ 4,613,774	\$ 4,026,859	\$ 3,680,512
Contributions as a percentage of covered payroll	13.06%	11.21%	11.14%	10.91%	10.86%	10.92%	11.01%	9.58%	8.99%

Note: GASB #68, paragraph 81.2.b requires that the data in this schedule be presented as of the Town's fiscal year as opposed to the time period covered by the measurement date.

Note: Only nine years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Town of Fairview, Texas

Texas Municipal Retirement System

Schedule of Changes in Total OPEB Liability and Related Ratios

Last Six Measurement Years

(Unaudited)

	Measurement year					
	2022	2021	2020	2019	2018	2017
Total OPEB Liability:						
Changes for the year						
Service Cost	\$ 18,905	\$ 16,656	\$ 13,934	\$ 9,401	\$ 9,937	\$ 8,533
Interest on Total OPEB Liability	2,418	2,443	2,578	2,641	2,346	2,072
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(12,014)	(13,098)	(3,912)	(5,984)	(6,594)	-
Changes in assumptions or other inputs	(43,415)	3,381	15,293	14,806	(4,613)	5,252
Benefit payments	(1,220)	(1,190)	(581)	(522)	(497)	(473)
Net change in total OPEB liability	(35,326)	8,192	27,312	20,342	579	15,384
Total OPEB Liability - beginning	122,591	114,399	87,087	66,745	66,166	50,782
Total OPEB Liability - ending	<u>\$ 87,265</u>	<u>\$ 122,591</u>	<u>\$ 114,399</u>	<u>\$ 87,087</u>	<u>\$ 66,745</u>	<u>\$ 66,166</u>
Covered-employee payroll	\$ 6,098,463	\$ 5,948,598	\$ 5,805,289	\$ 5,222,606	\$ 4,969,059	\$ 4,740,656
Total OPEB Liability as a percentage of covered-employee payroll	1.43%	2.06%	1.97%	1.67%	1.34%	1.40%

Note: Only six years of data is presented in accordance with GASB #75. Additional years' information will be displayed as it becomes available.

The TMRS Supplemental Death Benefit Fund (SDBF) is considered to be an unfunded OPEB Plan; therefore, no plan fiduciary net position and related ratios are reported in the above schedule.

Town of Fairview, Texas
Texas Municipal Retirement System
Schedule of OPEB Contributions
Last Six Fiscal Years
(Unaudited)

	Fiscal Year					
	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 1,815	\$ 1,206	\$ 1,017	\$ 549	\$ 517	\$ 490
Contributions in relation to the actuarially determined contribution	(1,815)	(1,206)	(1,017)	(549)	(517)	(490)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 6,624,799	\$ 6,012,654	\$ 5,873,515	\$ 5,487,954	\$ 5,174,388	\$ 4,904,537
Contributions as a percentage of covered-employee payroll	0.03%	0.02%	0.02%	0.01%	0.01%	0.01%

Note: GASB #75, paragraph 57 requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

Note: Only six years of data is presented in accordance with GASB #75. Additional years' information will be displayed as it becomes available.

Town of Fairview, Texas

Notes to the Texas Municipal Retirement System
Required Supplementary Information
For the Fiscal Year Ended September 30, 2023

1. Pension Plan

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other information:

Adopted 30% repeating COLA.

Combining and Individual Fund Financial Statements and Schedules



Listing of Non-Major Governmental Funds

Special Revenue Fund

Court Fund – Accounts for fines and forfeitures assessed which are restricted for court technology and security disbursements.

Fire Donations Fund – Accounts for funds provided by private donors or donations from the \$1 fire donation selection on each utility customer's monthly bill to assist in the purchase of fire department equipment and related expenses.

Tax Increment Reinvestment Zone – Accounts for property taxes on improvements in the Town's Tax Increment Reinvestment Zone Number One. These funds may only be used for capital improvements within the zone.

Hotel/Motel Fund – Accounts for hotel/motel taxes from the Town's two hotels. These funds may only be used for development costs within the Town.

Town of Fairview, Texas
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2023

	<u>Court</u>	<u>Fire Donations</u>	<u>Tax Increment Reinvestment Zone</u>	<u>Hotel/Motel</u>	<u>Total Non-major Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 240,119	\$ 98,247	\$ 1,190,304	\$ 313,794	\$ 1,842,464
Other receivables	-	2,987	-	16,507	19,494
Total assets	<u>\$ 240,119</u>	<u>\$ 101,234</u>	<u>\$ 1,190,304</u>	<u>\$ 330,301</u>	<u>\$ 1,861,958</u>
FUND BALANCES					
Fund balances:					
Restricted					
Fire	-	101,234	-	-	101,234
Court	240,119	-	-	-	240,119
Development	-	-	1,190,304	330,301	1,520,605
Total fund balances	<u>\$ 240,119</u>	<u>\$ 101,234</u>	<u>\$ 1,190,304</u>	<u>\$ 330,301</u>	<u>\$ 1,861,958</u>

Town of Fairview, Texas

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance – Non-Major Governmental Funds
For the Fiscal Year Ended September 30, 2023

	Court	Fire Donations	Tax Increment Reinvestment Zone	Hotel/Motel	Total Non-major Governmental Funds
Revenues:					
Taxes:					
Property taxes	\$ -	\$ -	\$ 624,521	\$ -	\$ 624,521
Other	-	-	-	232,713	232,713
Fines and forfeitures	28,367	-	-	-	28,367
Miscellaneous	-	39,713	-	-	39,713
Total revenues	<u>28,367</u>	<u>39,713</u>	<u>624,521</u>	<u>232,713</u>	<u>925,314</u>
Expenditures:					
Current:					
Municipal court	30	-	-	-	30
Public safety	-	9,605	-	-	9,605
Total expenditures	<u>30</u>	<u>9,605</u>	<u>-</u>	<u>-</u>	<u>9,635</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,337</u>	<u>30,108</u>	<u>624,521</u>	<u>232,713</u>	<u>915,679</u>
Other financing sources (uses):					
Transfers out	(27,500)	-	(1,006,500)	(110,000)	(1,144,000)
Total other financing sources (uses)	<u>(27,500)</u>	<u>-</u>	<u>(1,006,500)</u>	<u>(110,000)</u>	<u>(1,144,000)</u>
Net change in fund balance	837	30,108	(381,979)	122,713	(228,321)
Fund balance at beginning of year	<u>239,282</u>	<u>71,126</u>	<u>1,572,283</u>	<u>207,588</u>	<u>2,090,279</u>
Fund balance, end of year	<u>\$ 240,119</u>	<u>\$ 101,234</u>	<u>\$ 1,190,304</u>	<u>\$ 330,301</u>	<u>\$ 1,861,958</u>



Statistical Section



Statistical Section

This part of the Town of Fairview's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the Town's overall financial health. This information has not been audited by the independent auditor.

Contents	Table #s
Financial Trends These tables contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	A-1 to A-4
Revenue Capacity These tables contain information to help the reader assess the Town's two most significant local revenue sources, the property and sales taxes.	B-1 to B-5
Debt Capacity These tables present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	C-1 to C-5
Economic and Demographic Information These tables offer economic and demographic indicators to help the reader understand the environment within which the Town's financial activities take place.	D-1 to D-2
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides.	E-1 to E-3

Source: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

Town of Fairview, Texas

Net Position by Component

Last Ten Fiscal Years (Unaudited)

(Accrual Basis of Accounting) – Amounts Expressed in Thousands

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 8,831	\$ 8,453	\$ 10,294	\$ 12,253
Restricted	763	964	1,122	3,336
Unrestricted	4,314	5,212	5,105	2,975
Total governmental activities net position	\$ 13,908	\$ 14,629	\$ 16,521	\$ 18,564
Business-type activities				
Net investment in capital assets	\$ 6,895	\$ 7,130	\$ 7,701	\$ 8,335
Restricted	428	433	182	92
Unrestricted	4,779	4,416	4,419	4,251
Total business-type activities net position	\$ 12,102	\$ 11,979	\$ 12,302	\$ 12,678
Primary government				
Net investment in capital assets	\$ 15,726	\$ 15,583	\$ 17,995	\$ 20,588
Restricted	1,191	1,397	1,304	3,428
Unrestricted	9,093	9,628	9,524	7,226
Total primary governmental net position	\$ 26,010	\$ 26,608	\$ 28,823	\$ 31,242

Source: Annual Comprehensive Financial Report

Table A-1

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 14,073	\$ 17,537	\$ 19,886	\$ 18,543	\$ 19,947	\$ 24,141	
3,448	3,623	11,967	5,741	6,617	2,315	
4,642	3,775	(4,751)	4,329	3,984	9,126	
<u>\$ 22,163</u>	<u>\$ 24,935</u>	<u>\$ 27,102</u>	<u>\$ 28,613</u>	<u>\$ 30,548</u>	<u>\$ 35,582</u>	
\$ 9,139	\$ 10,746	\$ 13,359	\$ 10,130	\$ 10,241	\$ 10,092	
328	419	631	947	1,154	700	
4,656	3,202	1,806	5,286	7,089	8,503	
<u>\$ 14,123</u>	<u>\$ 14,367</u>	<u>\$ 15,796</u>	<u>\$ 16,363</u>	<u>\$ 18,484</u>	<u>\$ 19,295</u>	
\$ 23,212	\$ 28,283	\$ 33,245	\$ 28,673	\$ 30,188	\$ 34,233	
3,776	4,042	12,598	6,688	7,771	3,015	
9,298	6,977	(2,945)	9,615	11,073	17,629	
<u>\$ 36,286</u>	<u>\$ 39,302</u>	<u>\$ 42,898</u>	<u>\$ 44,976</u>	<u>\$ 49,032</u>	<u>\$ 54,877</u>	

Town of Fairview, Texas

Changes in Net Position

Last Ten Fiscal Years (Unaudited)

(Accrual Basis of Accounting) – Amounts Expressed in Thousands

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	\$ 2,789	\$ 2,156	\$ 2,863	\$ 2,945
Public safety	3,955	4,354	4,625	5,314
Municipal court	159	182	173	189
Public works	1,202	574	660	913
Parks and recreation	162	156	221	267
Inspections	103	96	204	138
Interest and fiscal charges	778	674	728	704
Total governmental activities expenses	9,148	8,192	9,474	10,470
Business-type activities:				
Water and sewer	4,211	4,584	4,824	5,044
Solid waste	615	581	616	659
Stormwater	195	357	316	224
Total business-type activities expenses	5,021	5,522	5,756	5,927
Total primary government expenses	\$ 14,169	\$ 13,714	\$ 15,230	\$ 16,397
Program Revenues				
Governmental activities:				
Charges for Services:				
General government	\$ 297	\$ 376	\$ 450	\$ 433
Public safety	388	436	424	448
Public works	290	272	695	641
Parks and recreation	48	49	49	49
Debt service	241	243	243	77
Operating grants and contributions	230	52	55	58
Capital grants and contributions	77	243	1,786	1,264
Total governmental activities program revenues	1,571	1,671	3,702	2,970
Business-type activities:				
Charges for services:				
Water and sewer	3,742	4,904	5,053	5,557
Solid waste	607	616	625	673
Stormwater	295	301	308	319
Capital grants and contributions	-	-	-	110
Total business-type activities program revenues	4,644	5,821	5,986	6,659
Total primary government program revenues	\$ 6,215	\$ 7,492	\$ 9,688	\$ 9,629

Source: Annual Comprehensive Financial Report

Table A-2 (Continued)

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	3,309	\$	2,842	\$	2,433	\$	2,464	\$	2,547	\$	3,106
	5,442		6,091		6,460		6,806		6,977		8,274
	182		180		186		169		182		222
	790		957		1,344		1,201		1,274		1,339
	264		287		329		349		287		355
	183		224		217		224		234		291
	593		575		547		615		561		541
	<u>10,763</u>		<u>11,156</u>		<u>11,516</u>		<u>11,828</u>		<u>12,062</u>		<u>14,128</u>
	5,423		5,884		5,861		6,291		6,531		7,727
	686		754		766		841		879		919
	248		416		309		252		271		344
	<u>6,357</u>		<u>7,054</u>		<u>6,936</u>		<u>7,384</u>		<u>7,681</u>		<u>8,990</u>
\$	<u>17,120</u>	\$	<u>18,210</u>	\$	<u>18,452</u>	\$	<u>19,212</u>	\$	<u>19,743</u>	\$	<u>23,118</u>
\$	399	\$	460	\$	552	\$	607	\$	497	\$	787
	419		414		427		425		467		322
	574		650		437		502		528		544
	48		49		12		12		12		12
	-		-		-		-		-		-
	119		459		1,049		780		178		300
	3,073		1,200		848		120		45		2,884
	<u>4,632</u>		<u>3,232</u>		<u>3,325</u>		<u>2,446</u>		<u>1,727</u>		<u>4,849</u>
	7,221		6,834		7,741		7,515		9,627		10,306
	710		737		811		835		910		897
	331		324		343		353		367		346
	-		-		-		-		-		-
	<u>8,262</u>		<u>7,895</u>		<u>8,895</u>		<u>8,703</u>		<u>10,904</u>		<u>11,549</u>
\$	<u>12,894</u>	\$	<u>11,127</u>	\$	<u>12,220</u>	\$	<u>11,149</u>	\$	<u>12,631</u>	\$	<u>16,398</u>

Town of Fairview, Texas

Changes in Net Position – Continued

Last Ten Fiscal Years (Unaudited)

(Accrual Basis of Accounting) – Amounts Expressed in Thousands

	Fiscal Year			
	2014	2015	2016	2017
Net (Expenses) Revenue				
Governmental activities	\$ (7,577)	\$ (6,521)	\$ (5,772)	\$ (7,500)
Business-type activities	(377)	299	230	732
Total primary government	<u>\$ (7,954)</u>	<u>\$ (6,222)</u>	<u>\$ (5,542)</u>	<u>\$ (6,768)</u>
General Revenues and other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 4,509	\$ 4,886	\$ 5,297	\$ 5,811
Sales taxes	1,453	1,519	1,626	1,577
Franchise taxes	649	669	647	657
Mixed beverage taxes	77	77	83	73
Unrestricted investment earnings	23	25	32	66
Miscellaneous	16	63	70	1,000
Transfers	349	354	(91)	359
Total governmental activities	<u>7,076</u>	<u>7,593</u>	<u>7,664</u>	<u>9,543</u>
Business-type activities:				
Unrestricted investment earnings	1	-	1	4
Transfers	(349)	(354)	91	(359)
Total business-type activities	<u>(348)</u>	<u>(354)</u>	<u>92</u>	<u>(355)</u>
Total primary government	<u>\$ 6,728</u>	<u>\$ 7,239</u>	<u>\$ 7,756</u>	<u>\$ 9,188</u>
Change in Net Position				
Governmental activities	\$ (501)	\$ 1,072	\$ 1,892	\$ 2,043
Business-type activities	(725)	(55)	322	377
Total primary government	<u>\$ (1,226)</u>	<u>\$ 1,017</u>	<u>\$ 2,214</u>	<u>\$ 2,420</u>

Source: Annual Comprehensive Financial Report

Table A-2 (Concluded)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ (6,131)	\$ (7,924)	\$ (8,191)	\$ (9,382)	\$ (10,335)	\$ (9,279)
1,905	841	1,959	1,319	3,223	2,559
<u>\$ (4,226)</u>	<u>\$ (7,083)</u>	<u>\$ (6,232)</u>	<u>\$ (8,063)</u>	<u>\$ (7,112)</u>	<u>\$ (6,720)</u>
\$ 6,484	\$ 6,929	\$ 7,137	\$ 7,387	\$ 7,945	\$ 8,564
1,552	1,666	1,562	1,738	1,949	2,087
684	687	633	619	691	700
220	284	192	244	309	336
210	307	124	52	140	709
161	171	123	100	121	87
462	653	586	753	1,115	1,830
<u>9,773</u>	<u>10,697</u>	<u>10,357</u>	<u>10,893</u>	<u>12,270</u>	<u>14,313</u>
8	56	57	2	13	81
(462)	(653)	(586)	(753)	(1,115)	(1,830)
(454)	(597)	(529)	(751)	(1,102)	(1,749)
<u>\$ 9,319</u>	<u>\$ 10,100</u>	<u>\$ 9,828</u>	<u>\$ 10,142</u>	<u>\$ 11,168</u>	<u>\$ 12,564</u>
\$ 3,642	\$ 2,773	\$ 2,166	\$ 1,511	\$ 1,935	\$ 5,034
1,451	244	1,430	568	2,121	810
<u>\$ 5,093</u>	<u>\$ 3,017</u>	<u>\$ 3,596</u>	<u>\$ 2,079</u>	<u>\$ 4,056</u>	<u>\$ 5,844</u>

Town of Fairview, Texas

Fund Balances, Governmental Funds

Last Ten Fiscal Years (Unaudited)

(Modified Accrual Basis of Accounting) – Amounts Expressed in Thousands

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 1	\$ 3	\$ 5	\$ 1
Assigned	78	63	96	223
Unassigned	3,878	4,056	4,913	4,783
Total general fund	\$ 3,957	\$ 4,122	\$ 5,014	\$ 5,007
All Other Governmental Funds				
Restricted	\$ 2,425	\$ 1,712	\$ 5,595	\$ 3,378
Assigned	726	1,379	914	1,952
Unassigned	-	-	-	-
Total all other governmental funds	\$ 3,151	\$ 3,091	\$ 6,509	\$ 5,330

Source: Annual Comprehensive Financial Report

Table A-3

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
183	80	110	92	38	244
4,937	5,121	5,878	6,051	5,899	6,190
<u>\$ 5,121</u>	<u>\$ 5,202</u>	<u>\$ 5,989</u>	<u>\$ 6,144</u>	<u>\$ 5,938</u>	<u>\$ 6,435</u>
\$ 3,440	\$ 3,646	\$ 12,029	\$ 5,775	\$ 6,640	\$ 2,328
3,441	1,582	-	1,207	943	4,172
-	-	-	(7)	(7)	(7)
<u>\$ 6,881</u>	<u>\$ 5,228</u>	<u>\$ 12,029</u>	<u>\$ 6,975</u>	<u>\$ 7,576</u>	<u>\$ 6,493</u>

Town of Fairview, Texas

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years (Unaudited)

(Modified Accrual Basis of Accounting) – Amounts Expressed in Thousand

	Fiscal Year			
	2014	2015	2016	2017
REVENUES				
Taxes	\$ 6,622	\$ 7,116	\$ 7,686	\$ 8,029
Licenses and permits	269	368	433	402
Intergovernmental revenue and grants	258	86	272	22
Charges for services	289	391	529	482
Fines and forfeitures	388	436	424	448
Interest earnings	23	25	32	66
Other revenue	242	97	615	608
Miscellaneous	138	192	200	363
Total revenues	<u>8,229</u>	<u>8,711</u>	<u>10,191</u>	<u>10,420</u>
EXPENDITURES				
General government	2,167	1,801	2,496	2,185
Public safety	3,576	3,962	4,168	4,774
Public works	1,168	231	258	785
Parks and recreation	97	91	151	176
Inspections	103	96	202	134
Municipal court	159	181	171	185
Economic development	-	-	-	-
Capital outlay	2,129	1,239	3,022	2,324
Debt service				
Principal retirement	1,032	1,041	1,149	3,682
Interest and fiscal charges	793	697	826	797
Total expenditures	<u>11,224</u>	<u>9,339</u>	<u>12,443</u>	<u>15,042</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,995)</u>	<u>(628)</u>	<u>(2,252)</u>	<u>(4,622)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from bonds	4,223	-	7,002	-
Proceeds from sale of capital assets	4	74	-	2,762
Payment to refunded bond escrow agent	(687)	-	(1,264)	-
Proceeds from capital lease obligation	-	380	-	316
Premium (cost) on bonds issued	253	-	915	-
Transfer from other funds	839	1,043	1,069	3,308
Transfer to other funds	(489)	(690)	(1,160)	(2,949)
Total other financing sources (uses)	<u>4,143</u>	<u>807</u>	<u>6,562</u>	<u>3,437</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,148</u>	<u>\$ 179</u>	<u>\$ 4,310</u>	<u>\$ (1,185)</u>
Debt service as a percentage of noncapital expenditures	20.1%	21.5%	21.0%	35.2%

Source: Annual Comprehensive Financial Report

Table A-4

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	8,843	\$	9,645	\$	9,528	\$	9,958	\$	10,829	\$	11,663
	372		420		531		563		429		752
	83		1,598		1,297		738		138		1,990
	399		350		261		336		392		376
	419		395		426		425		423		322
	210		307		124		52		140		709
	175		340		683		303		189		451
	3,312		340		191		192		200		169
	<u>13,813</u>		<u>13,395</u>		<u>13,041</u>		<u>12,567</u>		<u>12,740</u>		<u>16,432</u>
	2,212		2,452		2,026		2,151		2,337		2,564
	5,125		5,549		5,952		6,429		6,481		7,070
	389		502		636		503		552		546
	173		185		180		202		143		187
	185		221		216		225		237		271
	184		177		185		170		185		199
	-		10		17		8		8		-
	2,478		4,947		2,203		5,911		904		4,905
	1,281		1,468		1,569		1,517		1,560		1,570
	707		672		707		883		811		752
	<u>12,734</u>		<u>16,183</u>		<u>13,691</u>		<u>17,999</u>		<u>13,218</u>		<u>18,064</u>
	<u>1,079</u>		<u>(2,788)</u>		<u>(650)</u>		<u>(5,432)</u>		<u>(478)</u>		<u>(1,632)</u>
	-		-		12,768		-		-		-
	125		-		140		-		-		-
	-		-		(7,155)		-		-		-
	-		724		-		-		-		-
	-		-		2,047		-		-		-
	1,232		1,060		1,030		1,262		1,758		2,589
	(771)		(567)		(594)		(729)		(885)		(1,544)
	<u>586</u>		<u>1,217</u>		<u>8,236</u>		<u>533</u>		<u>873</u>		<u>1,045</u>
\$	<u>1,665</u>	\$	<u>(1,571)</u>	\$	<u>7,586</u>	\$	<u>(4,899)</u>	\$	<u>395</u>	\$	<u>(587)</u>
	19.4%		19.0%		19.8%		19.9%		19.3%		17.6%

Town of Fairview, Texas
 Appraised Value of Property
 Last Ten Fiscal Years (Unaudited)

Table B-1

Fiscal Year	Tax Year	Market Valuation		Less: Tax-Exempt Property, Productivity Loss, and Value Caps	Total Taxable Assessed Value	Total Direct Tax Rate
		Real Property	Personal Property			
2014	2013	\$ 1,396,288,609	\$ 47,135,219	\$ 198,868,444	\$ 1,244,555,384	0.360000
2015	2014	1,525,690,616	44,701,224	229,755,027	1,340,636,813	0.359999
2016	2015	1,680,650,568	41,697,451	281,645,477	1,440,702,542	0.359999
2017	2016	1,848,561,560	54,464,236	315,382,802	1,587,642,994	0.359999
2018	2017	2,021,168,624	56,972,758	309,645,998	1,768,495,384	0.359999
2019	2018	2,199,818,981	57,240,785	312,146,964	1,944,912,802	0.349709
2020	2019	2,296,530,762	61,295,343	325,554,050	2,032,272,055	0.347156
2021	2020	2,346,368,240	59,493,790	316,543,396	2,089,318,634	0.347156
2022	2021	2,529,205,530	54,735,454	344,213,219	2,239,727,765	0.345580
2023	2022	3,200,851,493	57,526,893	634,845,564	2,623,532,822	0.321577

Source: Collin Central Appraisal District

Town of Fairview, Texas

Table B-2

Direct and Overlapping Property Tax Rates (Per \$100 of Assessed Value)
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Town Direct Rates			Overlapping Rates ^a			Total Direct and Overlapping Rates
	Operating Rate	Debt Service Rate	Total Town Rate	Lovejoy Independent School District	Collin College	Collin County	
2014	0.216291	0.143709	0.360000	1.535000	0.083600	0.237500	2.216100
2015	0.221733	0.138266	0.359999	1.560000	0.081960	0.235000	2.236959
2016	0.225858	0.134141	0.359999	1.560000	0.081960	0.225000	2.226959
2017	0.227856	0.132143	0.359999	1.670000	0.081222	0.208395	2.319616
2018	0.231409	0.128590	0.359999	1.670000	0.079810	0.192246	2.302055
2019	0.227424	0.122285	0.349709	1.670000	0.081222	0.180785	2.281716
2020	0.230180	0.116976	0.347156	1.568350	0.081222	0.174951	2.171679
2021	0.240342	0.106814	0.347156	1.554700	0.081222	0.172531	2.155609
2022	0.245536	0.100044	0.345580	1.505000	0.081222	0.168087	2.099889
2023	0.238407	0.083170	0.321577	1.442900	0.081220	0.152443	1.998140

^a Overlapping rates are those of local and county governments that apply to property owners within the Town of Fairview. A typical property tax bill would consist of the Town, School District, College District and County taxes.

Source: Town of Fairview, Lovejoy ISD, Collin College and Collin County

Note: Tax rates are applied on each \$100 of assessed value and are levied on 100% of assessed value.

Town of Fairview, Texas
Principal Property Tax Payers
Current Year and Nine Years Ago (Unaudited)

Table B-3

FY 2022-2023
(2022 Certified Tax Roll)

Taxpayer	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value
TX Sorrel Apartments LLC	\$ 55,000,000	2.10%
Lantower Management Services LP	49,416,450	1.88%
Carrington Fairview Partners LLC	41,000,000	1.56%
Village FV LTD	32,408,288	1.24%
CRP-GREP Overture Fairview Owner LP	30,888,150	1.18%
IVT Shoppes at Fairview LLC	22,628,107	0.86%
Lantower Management Services LP	15,086,550	0.58%
Fairview Office LLC	14,800,000	0.56%
Dillard's Properties Inc	10,600,000	0.40%
DVD Fitness LLC	9,677,425	0.37%
Total	\$ 281,504,970	10.73%
Total Assessed Valuation	\$ 2,623,532,822	100.00%

FY 2013-2014
(2013 Certified Tax Roll)

Taxpayer	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value
The Village at Fairview, LP	\$ 56,050,871	4.50%
Fairfield Fairview, LLP	30,500,000	2.45%
Carrington Fairview Partners, LLC	26,516,600	2.13%
Macy's Retail Holdings, Inc.	14,455,087	1.16%
Dillard's Properties, Inc.	13,877,925	1.12%
Fairfield Cortona Lofts, LP	10,054,978	0.81%
JC Penney Properties, Inc.	8,555,075	0.69%
Dillard Texas Central, LLC	7,567,171	0.61%
PR Fairview WFM Landlord, LLC	7,174,453	0.58%
PF Fairview Land TRS, LLC	6,984,176	0.56%
Total	\$ 181,736,336	14.61%
Total Assessed Valuation	\$ 1,244,555,384	100.00%

Source: Collin Central Appraisal District

Note: Property is assessed as of January 1 and certified to the town by July 25 for taxable values

Town of Fairview, Texas
Property Tax Levies And Collections
Last Ten Fiscal Years (Unaudited)

Table B-4

Fiscal Year	Total Tax Levy	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	\$ 4,466,998	\$ 4,431,527	99.21%	\$ 27,546	\$ 4,459,073	99.82%
2015	4,808,574	4,781,860	99.44%	26,543	4,808,403	100.00%
2016	5,185,376	5,155,710	99.43%	28,494	5,184,204	99.98%
2017	5,538,329	5,677,241	102.51%	-	5,677,241	102.51%
2018	6,294,311	6,322,106	100.44%	33,198	6,355,304	100.97%
2019	6,685,205	6,753,483	101.02%	179,859	6,933,342	103.71%
2020	6,948,781	7,036,991	101.27%	22,190	7,059,181	101.59%
2021	7,243,088	7,200,282	99.41%	58,329	7,258,611	100.21%
2022	7,630,713	7,682,567	100.68%	71,476	7,754,043	101.62%
2023	8,095,238	8,349,291	103.14%	68,717	8,418,008	103.99%

Source: Collin Central Appraisal District

Town of Fairview, Texas

Table B-5

General Government Tax Revenues by Source
Last Ten Fiscal Years (Unaudited) – Amounts Expressed in Thousands

Fiscal Year Ended Sept 30,	Total Collected	1.00% City	% of Ad Valorem Tax Levy	(\$) Equivalent of Ad Valorem Tax Rate	0.50% 4A EDC	0.50% 4B CDC
2014	\$ 2,906,820	\$ 1,453,410	33.88%	0.12195	\$ 726,705	\$ 726,705
2015	3,038,075	1,519,038	31.59%	0.11372	759,519	759,519
2016	3,252,461	1,626,231	31.36%	0.11290	813,115	813,115
2017	3,138,188	1,569,094	28.47%	0.10249	788,445	788,445
2018	3,069,724	1,534,862	24.66%	0.08878	776,064	776,064
2019	3,332,644	1,666,322	24.93%	0.08717	833,161	833,161
2020	3,124,350	1,562,175	22.48%	0.07804	781,087	781,087
2021	3,475,302	1,737,651	23.99%	0.08328	868,825	868,825
2022	3,897,696	1,948,848	25.54%	0.08826	974,424	974,424
2023	4,073,260	2,036,630	25.16%	0.08091	1,018,315	1,018,315

Source: Texas Comptroller of Public Affairs Website (<http://www.window.state.tx.us/taxinfo/sales>)

Town of Fairview, Texas

Ratio of Outstanding Bonded Debt By Type
Last Ten Fiscal Years (Unaudited) – Amounts Expressed in Thousands

Table C-1

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income ^b	Per Capita ^b
	General Obligation Bonds ^a	Financed Purchases	General Obligation Bonds ^a				
2014	\$ 19,734	\$ -	\$ 7,963		\$ 27,697	6.98%	3,333
2015	18,662	380	7,159		26,201	6.51%	3,112
2016	24,153	304	6,307		30,764	6.59%	3,473
2017	20,442	546	5,378		26,366	5.44%	2,894
2018	19,197	409	4,427		24,033	4.58%	2,538
2019	17,807	960	9,850		28,617	5.00%	2,978
2020	23,906	756	9,156		33,818	5.59%	3,461
2021	22,276	625	8,297		31,198	4.86%	3,008
2022	20,601	494	7,426		28,521	3.68%	2,696
2023	18,894	425	6,810		26,129	3.35%	2,386

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

^a Includes General Obligation Bonds and Certificates of Obligation Bonds

^b See Table D-1 for personal income and population data.

Town of Fairview, Texas

Table C-2

Ratio of Net General Bonded Debt to Assessed Value
 And Net Value Bonded Per Capita
 Last Ten Fiscal Years (Unaudited) – Amounts Expressed in Thousands

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Available Debt Service Funds</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property^a</u>	<u>Per Capita^b</u>
2014	\$ 27,697	\$ 383	\$ 27,314	2.19%	\$ 3,287
2015	25,821	504	25,317	1.89%	3,007
2016	30,460	176	30,284	2.10%	3,419
2017	25,820	247	25,573	1.61%	2,807
2018	23,624	296	23,328	1.32%	2,463
2019	27,657	395	27,262	1.40%	2,837
2020	33,062	317	32,745	1.61%	3,352
2021	30,573	353	30,220	1.45%	2,914
2022	28,027	417	27,610	1.23%	2,610
2023	25,704	453	25,251	0.96%	2,306

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

^a See Table B-1 for property value data.

^b See Table D-1 for population data.

Town of Fairview, Texas

Direct and Overlapping Debt

Last Ten Years (Unaudited) – Amounts Expressed in Thousands

Table C-3

Governmental Unit	As of	Bonded Debt Principal	Percentage of Debt Applicable to Area ^d	Town of Fairview Share of Overlapping Debt ^c
Debt repaid with property taxes				
Lovejoy I.S.D.	09/30/23	\$ 133,285	68.48%	\$ 91,275
Collin College	09/30/23	480,350	1.31%	6,276
Collin County	09/30/23	721,825	1.34%	9,646
Subtotal, overlapping debt		1,335,460		107,197
Town of Fairview Direct Debt ^a	09/30/23	19,319	100.00%	19,319
Total direct and overlapping debt				\$ 126,516
Ratio of direct and overlapping debt principal to taxable values ^b				4.82%
Ratio of direct and overlapping debt principal to actual market values ^b				3.88%

Source: Municipal Advisory Council of Texas

Notes: ^a Includes Governmental Activities debt

^b See Table B-1 for property value data.

^c Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Fairview, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

^d The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the various government's taxable assessed value that is within the government's boundaries and dividing it by the total taxable assessed value.

Town of Fairview, Texas

Legal Debt Margin Information

Last Ten Years (Unaudited) – Amounts Expressed in Thousands

Table C-4

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 123,964	\$ 133,538	\$ 164,278	\$ 190,303	\$ 176,850	\$ 194,491	\$ 203,227	\$ 208,932	\$ 223,973	\$ 325,838
Total net debt applicable to limit	27,314	25,697	30,643	31,012	19,310	18,349	24,282	22,548	20,678	18,866
Legal debt margin	<u>\$ 96,650</u>	<u>\$ 107,841</u>	<u>\$ 133,635</u>	<u>\$ 159,291</u>	<u>\$ 157,540</u>	<u>\$ 176,142</u>	<u>\$ 178,945</u>	<u>\$ 186,384</u>	<u>\$ 203,295</u>	<u>\$ 306,972</u>
Total net debt applicable to the limit as a percentage of debt limit	22.03%	19.24%	18.65%	16.30%	10.92%	9.43%	11.95%	10.79%	9.23%	5.79%

Note: Under state finance law, the Town of Fairview's outstanding general obligation debt should not exceed 10 percent of total assessed property value.

By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	<u>\$ 3,258,378</u>
Debt limit (10% of total assessed value)	<u>325,838</u>
Debt applicable to limit:	
General obligation bonds	19,319
Less: amounts set aside for repayment of general obligation debt	<u>(453)</u>
Total net debt applicable to limit	<u>18,866</u>
Legal debt margin	<u><u>\$ 306,972</u></u>

Town of Fairview, Texas

Table C-5

Pledged-Revenue Coverage

Last Ten Fiscal Years (Unaudited) – Amounts Expressed In Thousands

Water and Sewer System Revenue Bonds						
Fiscal Year	Total Revenues ^a	Less: Operating Expenses ^b	Net Available Revenue	Annual Requirement ^c	Times Coverage	
2014	\$ 3,744	\$ 3,392	\$ 352	\$ 794	0.44	
2015	4,904	3,810	1,094	892	1.23	
2016	5,054	4,044	1,010	898	1.12	
2017	5,560	4,358	1,202	921	1.31	
2018	7,229	4,745	2,484	635	3.91	
2019	6,890	5,195	1,695	695	2.44	
2020	7,798	5,094	2,704	753	3.59	
2021	7,517	5,289	2,228	780	2.86	
2022	9,631	5,535	4,096	544	7.53	
2023	10,333	6,755	3,577	651	5.49	

Note: ^a Includes operating and non-operating revenues.

^b Includes operating expenses minus depreciation.

^c Includes annual debt service requirements for all bonds paid from system revenues

Town of Fairview, Texas
Demographic and Economic Statistics
Last Ten Calendar Years (Unaudited)

Table D-1

Fiscal Year	(1) Estimated Population	Personal Income	(2) Per Capita Personal Income	(2) Median Age	(3) School Enrollment	(4) Unemployment Rate
2014	8,310	397,085	47,784	54.5	1,442	4.6%
2015	8,420	402,341	47,784	54.5	1,456	3.5%
2016	8,858	466,967	52,717	54.5	1,432	3.8%
2017	9,110	484,963	53,234	51.5	1,489	3.0%
2018	9,470	524,495	55,094	53.1	1,492	3.2%
2019	9,610	571,958	59,517	49.0	1,251	3.0%
2020	9,770	604,646	61,888	49.0	1,484	6.4%
2021	10,372	641,902	61,888	48.0	1,404	5.1%
2022	10,580	775,927	73,339	49.0	1,320	3.2%
2023	10,952	779,114	71,139	49.0	1,637	3.1%

Sources:

- (1) North Central Texas Council of Governments (NCTCOG) & US Census Fact Finder
- (2) US Census Bureau and US Census Fact Finder
- (3) Lov ejoy ISD
- (4) www.homefacts.com/unemployment/Texas/Collin-County/Fairview.html

Town of Fairview, Texas
Principal Employers
Current Year and Nine Years Ago (Unaudited)

Table D-2

2023		
Employer	Employees	Percentage of Total City Employment
Whole Foods	200	10.99%
JC Penney	120	6.59%
Dillard's	103	5.66%
Macy's	70	3.85%
Heritage Ranch	80	4.40%
Boomer Jacks Grill & Bar	80	4.40%
Town of Fairview	79	4.34%
iPic	70	3.85%
Glorias	61	3.35%
Old Navy	40	2.20%
Total	903	49.62%
Total Fairview Daytime Employees	1,820	

2014		
Employer	Employees	Percentage of Total City Employment
Whole Foods	176	10.35%
Dillard's	125	7.35%
JC Penney	110	6.47%
Macy's	104	6.12%
Heritage Ranch	85	5.00%
M. Christopher Homes	70	4.12%
Splitsville	55	3.24%
Glorias	53	3.12%
Town of Fairview	53	3.12%
iPic	50	2.94%
Total	881	51.83%
Total Fairview Daytime Employees	1,700	

Source: Top ten employers and employee count provided by Fairview Economic Development Corporation.
2014 information from FY 2014 Annual Comprehensive Financial Report.

Town of Fairview, Texas

Table E-1

Full-Time Equivalent Government Employees by Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	13.0	13.5	14.5	14.5	14.5	14.5	14.5	14.5	15.0	15.0
Public safety										
Police:										
Officers	15.0	17.0	17.0	18.0	18.0	18.0	18.0	18.0	20.0	21.0
Fire ^a	13.0	19.0	20.0	22.0	25.0	25.0	25.0	25.0	27.0	28.0
Streets	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Parks and recreation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Water	9.0	8.0	11.0	12.0	13.0	13.0	13.0	13.0	13.0	14.0
Sewer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	54.0	61.5	66.5	70.5	74.5	74.5	74.5	74.5	79.0	82.0

Source: Town Departments

^a Full-time equivalent = 1/4 time, 1/2 time and full-time



Town of Fairview, Texas

Operating Indicators by Function/Program

Last Ten Fiscal Years (Unaudited)

Function/Program	Fiscal Year			
	2014	2015	2016	2017
Public Safety				
Police				
Number of police stations	1	1	1	1
Number of patrol units	10	11	10	12
Physical arrests	132	132	97	123
Service calls	8,793	8,856	8,315	8,277
Citations	4,055	3,849	3,881	3,986
Fire				
Number of fire stations	2	2	2	2
Number of calls answered	725	821	903	977
Inspections	548	449	424	507
Highway and Streets				
Streets (miles)	44.49	44.90	45.04	45.94
Street reconstruction (miles)	0.00	0.00	0.37	0.00
Street resurfacing (miles)	0.00	0.00	0.98	1.03
Cultural and Recreational				
Parks and recreation				
Park acreage	216.8	216.8	244.8	272.7
Number of parks	9	9	9	10
Water and Sewer				
Water				
Number of new water connections	56	40	62	98
Number of water main breaks	8	15	12	7
Average daily water consumption ^u	1,964	2,115	2,808	2,109
Water main (miles)	76.65	75.30	76.61	83.78
Fire hydrants	730	731	789	819
Maximum daily capacity ^u	7.3 MGD	7.3 MGD	7.3 MGD	7.3 MGD
Sewer				
Sanitary sewer (miles)	25.94	22.20	22.62	27.13

Source: Town Departments

Notes: ^u Stated in thousands of gallons

Table E-2

Fiscal Year					
2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
12	12	12	12	14	14
84	111	59	54	55	42
8,969	8,241	7,265	7,239	7,537	6,918
3,128	3,552	3,597	3,265	2,897	1,899
2	2	2	2	2	2
1,136	1,156	1,098	1,465	1,453	1,553
567	600	305	242	165	309
50.49	50.56	50.56	60.00	49.60	49.60
1.33	0.00	0.00	0.00	0.00	0.00
0.00	0.70	0.83	1.00	0.75	0.80
272.7	272.7	272.7	272.7	272.7	272.7
10	10	10	10	10	10
85	103	89	123	84	78
5	7	9	12	6	8
2	2,226	2,328	2,193	2,822	2,990
84.82	85.10	85.10	89.03	89.60	89.60
820	847	847	874	828	828
7.3MGD	7.3MGD	12MGD	12MGD	12MGD	12MGD
26.21	26.09	26.09	26.09	30.30	30.30

Town of Fairview, Texas

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years (Unaudited)

Table E-3

FUNCTION	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	10	10	10	12	12	12	12	12	14	14
Fire stations	2	2	2	2	2	2	2	2	2	2
Highway and Streets										
Streets (miles)	44.49	44.90	45.04	45.94	50.49	50.56	50.56	60	49.6	49.6
Culture & Recreation										
Parks acreage	216.8	216.8	244.8	272.7	272.7	272.7	272.7	272.7	272.7	272.7
Parks	9	9	10	10	10	10	10	10	10	10
Water										
Water mains (miles)	76.65	75.30	76.61	83.78	84.82	85.1	85.1	89.03	89.6	89.6
Fire hydrants	730	731	789	819	820	847	847	874	828	828
Maximum daily capacity (thousands of gallons)	7.3MGD	7.3MGD	7.3MGD	7.3MGD	7.3MGD	7.3MGD	12MGD	12MGD	12MGD	12MGD
Sewer										
Sanitary sewers (miles)	25.94	22.20	22.62	27.13	26.21	26.09	26.09	26.09	30.3	30.3

Source: Various Government Departments