CITY OF CALDWELL, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2023

CITY OF CALDWELL, TEXAS

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
and Members of the City Council
City of Caldwell, Texas

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Caldwell, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Caldwell, Texas' 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 Responsibility

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 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 City of Caldwell, Texas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Caldwell, Texas' 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 pension and OPEB information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Caldwell, Texas' basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2025, on our consideration of the City of Caldwell, Texas' 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Caldwell, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 22, 2025

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MANAGEMENT'S
DISCUSSION AND ANALYSIS

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As management of the City of Caldwell, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of September 30, 2023 by $33,253,892 (net position). Of this amount, $19,012,575 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.

- The City's net position increased by $227,549 from operations.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $9,090,091. Approximately 57% of this total amount ($5,154,999) is unassigned fund balance available for use within the City's fund designation and fiscal policies.

- As of September 30, 2023, unassigned fund balance for the General Fund was $5,154,999 or 106% percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, transportation, and culture and recreation. The business-type activities of the City include water, sewer and electric utilities.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories – governmental funds and proprietary funds.

Government 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 current sources and uses 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 on 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.

Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Debt Service, and Capital Projects Funds, which are considered to be major funds. A budgetary comparison schedule has been provided for the General Fund and Debt Service Fund to demonstrate compliance with the annual appropriated budget.

Proprietary Funds. The City maintains only one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the Enterprise Funds to account for water and sewer and electric.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $33,253,892 as of September 30, 2023.

CITY OF CALDWELL, TEXAS
NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current assets	$ 10,130,332	$ 8,696,442	$ 12,677,654	$ 15,033,233	$ 22,807,986	$ 23,729,675
Net pension asset	-	529,528	-	353,018	-	882,546
Capital assets	10,513,867	10,421,711	3,397,853	2,821,782	13,911,720	13,243,493
Total assets	20,644,199	19,647,681	16,075,507	18,208,033	36,719,706	37,855,714
Deferred outflows of resources	655,533	150,279	419,111	100,185	1,074,644	250,464
Current liabilities	945,061	1,141,711	1,585,389	1,993,949	2,530,450	3,135,660
Noncurrent liabilities	755,389	740,645	66,637	60,433	822,026	801,078
Net pension liability	526,655	-	336,713	-	863,368	-
Total OPEB liability	120,105	172,626	76,789	115,085	196,894	287,711
Total liabilities	2,347,210	2,054,982	2,065,528	2,169,467	4,412,738	4,224,449
Deferred inflows of resources	77,910	513,232	49,810	342,154	127,720	855,386
Net position:						
Net investment in capital assets	9,913,867	9,821,711	3,057,041	2,821,782	12,970,908	12,643,493
Restricted	1,270,409	678,480	-	15,502	1,270,409	693,982
Unrestricted	7,690,336	6,729,555	11,322,239	12,959,313	19,012,575	19,688,868
Total net position	$ 18,874,612	$ 17,229,746	$ 14,379,280	$ 15,796,597	$ 33,253,892	$ 33,026,343

A large portion of the City's net position reflects its investments in capital assets less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens: consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position, $19,012,575, may be used to meet the City's ongoing obligations to citizens and creditors.

CITY OF CALDWELL, TEXAS
CHANGES IN NET POSITION

The City's net position increased by $227,549 from operations during the current fiscal year. This increase is the result of the City's revenues exceeding its expenses for the fiscal year.

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 366,347	$ 562,108	$ 9,544,968	$ 8,779,665	$ 9,911,315	$ 9,341,773
Operating grants and contributions	117,279	105,190	286,735	449,383	404,014	554,573
Capital grants and contributions	-	-	859,798	-	859,798	-
General revenues:						
Property taxes	1,347,883	1,142,156	-	-	1,347,883	1,142,156
Sales taxes	2,195,763	2,048,956	-	-	2,195,763	2,048,956
Other taxes	170,828	121,403	-	-	170,828	121,403
Investment earnings	169,381	39,338	186,981	35,978	356,362	75,316
Gain on disposal of assets	145,331	-	-	-	145,331	-
Miscellaneous	335,827	181,872	70,605	38,967	406,432	220,839
Total revenues	4,848,639	4,201,023	10,949,087	9,303,993	15,797,726	13,505,016
Expenses:						
General government	1,727,424	1,510,532	-	-	1,727,424	1,510,532
Public safety	1,535,541	1,259,708	-	-	1,535,541	1,259,708
Public works	186,563	160,699	-	-	186,563	160,699
Transportation	1,225,157	1,143,236	-	-	1,225,157	1,143,236
Culture and recreation	845,720	750,579	-	-	845,720	750,579
Interest on long-term debt	20,362	7,831	-	-	20,362	7,831
Utilities	-	-	10,029,410	7,855,178	10,029,410	7,855,178
Total expenses	5,540,767	4,832,585	10,029,410	7,855,178	15,570,177	12,687,763
Increases (decrease) in net position before transfers	(692,128)	(631,562)	919,677	1,448,815	227,549	817,253
Transfers	2,336,994	(470,000)	(2,336,994)	470,000	-	-
Change in net position	1,644,866	(1,101,562)	(1,417,317)	1,918,815	227,549	817,253
Net position, beginning	17,229,746	18,331,308	15,796,597	13,877,782	33,026,343	32,209,090
Net position, ending	$ 18,874,612	$ 17,229,746	$ 14,379,280	$ 15,796,597	$ 33,253,892	$ 33,026,343

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $9,090,091. Approximately 57% of this total amount, ($5,154,999) constitutes unassigned fund balance.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $5,154,999. The fund balance of the City's General Fund increased by $1,466,202 during the current fiscal year. This increase was primarily due to an increase in sales tax collected and a transfer from the utility fund.

The Debt Service Fund has a total fund balance of $404,948. The change in fund balance was a decrease of $44,128. This decrease was a result of the collection of property taxes restricted for debt service being slightly less than debt service payments in the current. year.

The Capital Projects Fund has a total fund balance of $1,639,804. The fund balance of the City's Capital Projects Fund increased by $214,457 during the current fiscal year. This was mainly due to transfers from other funds and issuance of time warrants. $693,080 was spent on capital assets during the year.

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

Unrestricted net position of the City's Enterprise Funds at the end of the year amounted to $11,322,239. The decrease in net position from operations was $1,417,317. This decrease was primarily due to transfers to other funds to assist with funding of city projects.

General Fund Budgetary Highlights

Actual revenues of the General Fund were more than budgeted by $52,453. The City had sales tax revenues which were higher than expectations. Expenditures were less than budgeted in the amount of $588,780, due to conservative budgeting. Additionally, there were no budget amendments during the current year.

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to $13,911,720 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. The City's investment in capital assets for the current fiscal year increased approximately $668,227.

Additional information on the City's capital assets can be found in the notes to the financial statements on pages 23 – 24.

DEBT ADMINISTRATION

During the fiscal year, the City made payments totaling $600,000 for time warrants and issued $600,000. The ending balance of time warrants at the end of the current fiscal year was $600,000.

Additional information on the City's long-term debt can be found in the notes to the financial statements on pages 24.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Although the nationwide economic forecast for the future continues to be uncertain, the City continues to remain in a stable position. The City sales tax remained relatively flat compared to the prior year. Other areas were mixed in their results, but the City remained conservative in comprising its Budget for the coming fiscal year. The City's efforts towards economic development, attracting new retail businesses and redeveloping existing properties, continue to be a major focus now and for years to come.

The City's property tax rate remained the same at $0.37957 per $100 taxable value for fiscal year 2024 from $0.37957 per $100 in fiscal year 2023. The debt rate funded approximately $600,000 of municipal debt obligations. In fiscal year 2024, General Fund Revenues were budgeted to increase 17.2% compared to fiscal year 2023 Revenues. Expenditures for Fiscal Year 2024 are Budgeted to increase 17.2% versus Fiscal Year 2023 expenditures.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Administrator at 107 S. Hill, Caldwell, Texas 77836.

BASIC
FINANCIAL STATEMENTS

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CITY OF CALDWELL, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 9,631,479	$ 10,405,900	$ 20,037,379
Receivables (net of allowances for uncollectibles):			
Taxes	457,798	-	457,798
Accounts	39,503	866,689	906,192
Intergovernmental	-	772,398	772,398
Prepaids	1,552	-	1,552
Inventory	-	632,667	632,667
Capital assets:			
Land	844,149	164,894	1,009,043
Construction in progress	4,749,358	861,806	5,611,164
Buildings and improvements	6,802,908	1,104,950	7,907,858
Furniture, fixtures and equipment	3,128,675	2,663,474	5,792,149
Infrastructure	5,920,780	4,137,302	10,058,082
Accumulated depreciation	(10,932,003)	(5,534,573)	(16,466,576)
Total capital assets	10,513,867	3,397,853	13,911,720
Total assets	20,644,199	16,075,507	36,719,706
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	636,879	407,186	1,044,065
Related to OPEB	18,654	11,925	30,579
Total deferred outflows of resources	655,533	419,111	1,074,644
LIABILITIES			
Accounts payable	2,774	1,211,508	1,214,282
Accrued liabilities	32,013	13,626	45,639
Accrued interest	14,945	-	14,945
Customer deposits	-	360,255	360,255
Unearned revenue	895,329	-	895,329
Noncurrent liabilities:			
Due within one year:			
Long-term liabilities	624,848	15,884	640,732
Due in more than one year:			
Long-term liabilities	130,541	50,753	181,294
Net pension liability	526,655	336,713	863,368
Total OPEB liability	120,105	76,789	196,894
Total liabilities	2,347,210	2,065,528	4,412,738
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	25,677	16,416	42,093
Related to OPEB	52,233	33,394	85,627
Total deferred inflows of resources	77,910	49,810	127,720
NET POSITION			
Net investment in capital assets	9,913,867	3,057,041	12,970,908
Restricted for:			
Debt service	425,763	-	425,763
Tourism promotion	448,396	-	448,396
Municipal court	224,212	-	224,212
Airport	172,038	-	172,038
Unrestricted	7,690,336	11,322,239	19,012,575
Total net position	$ 18,874,612	$ 14,379,280	$ 33,253,892

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

CITY OF CALDWELL, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 1,727,424	$ 316,992	$ 117,279	$ -
Public safety	1,535,541	1,179	-	-
Public works	186,563	-	-	-
Transportation	1,225,157	-	-	-
Culture and recreation	845,720	48,176	-	-
Interest on long-term debt	20,362	-	-	-
Total governmental activities	5,540,767	366,347	117,279	-
Business-type activities:				
Utilities	10,029,410	9,544,968	286,735	859,798
Total business-type activities	10,029,410	9,544,968	286,735	859,798
Totals	$ 15,570,177	$ 9,911,315	$ 404,014	$ 859,798
General revenues:				
Taxes:				
Property taxes				
Sales taxes				
Other taxes				
Investment earnings				
Miscellaneous				
Gain on disposal of assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Net position, ending				

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (1,293,153)	$ -	$ (1,293,153)
(1,534,362)	-	(1,534,362)
(186,563)	-	(186,563)
(1,225,157)	-	(1,225,157)
(797,544)	-	(797,544)
(20,362)	-	(20,362)
(5,057,141)	-	(5,057,141)
-	662,091	662,091
-	662,091	662,091
(5,057,141)	662,091	(4,395,050)
1,347,883	-	1,347,883
2,195,763	-	2,195,763
170,828	-	170,828
169,381	186,981	356,362
335,827	70,605	406,432
145,331	-	145,331
2,336,994	(2,336,994)	-
6,702,007	(2,079,408)	4,622,599
1,644,866	(1,417,317)	227,549
17,229,746	15,796,597	33,026,343
$ 18,874,612	$ 14,379,280	$ 33,253,892

CITY OF CALDWELL, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and investments	$ 7,567,827	$ 423,848	$ 1,639,804	$ 9,631,479
Receivables, net:				
Taxes	416,826	40,972	-	457,798
Other	39,503	-	-	39,503
Prepaids	1,552	-	-	1,552
Due from other funds	24,112	-	-	24,112
Total assets	8,049,820	464,820	1,639,804	10,154,444
LIABILITIES				
Accounts payable	2,774	-	-	2,774
Accrued liabilities	32,013	-	-	32,013
Due to other funds	-	24,112	-	24,112
Unearned revenue	895,329	-	-	895,329
Total liabilities	930,116	24,112	-	954,228
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - court fines and fees	39,503	-	-	39,503
Unavailable revenue - property taxes	34,862	35,760	-	70,622
Total deferred inflows of resources	74,365	35,760	-	110,125
FUND BALANCES				
Nonspendable:				
Prepaid items	1,552	-	-	1,552
Restricted for:				
Debt service	-	404,948	-	404,948
Tourism promotion	448,396	-	-	448,396
Municipal court	224,212	-	-	224,212
Airport	172,038	-	-	172,038
Assigned for:				
Fire reserve	1,044,142	-	-	1,044,142
Capital improvements	-	-	1,639,804	1,639,804
Unassigned	5,154,999	-	-	5,154,999
Total fund balances	7,045,339	404,948	1,639,804	9,090,091
Total liabilities, deferred inflows of resources, and fund balances	$ 8,049,820	$ 464,820	$ 1,639,804	

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,513,867
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	110,125
Certain items related to pensions and OPEB are reported as deferred outflows and deferred inflows of resources.	(69,137)
Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds.	(14,945)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(755,389)
Net position of governmental activities	$ 18,874,612

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

CITY OF CALDWELL, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Taxes:				
Property	$ 794,144	$ 559,785	$ -	$ 1,353,929
Sales	2,195,763	-	-	2,195,763
Other	170,828	-	-	170,828
Charges for services	40,454	-	-	40,454
Fines and fees	238,867	-	-	238,867
Intergovernmental	117,279	-	-	117,279
Licenses and permits	77,651	-	-	77,651
Investment earnings	114,765	7,129	47,487	169,381
Miscellaneous	295,177	-	40,650	335,827
Total revenues	4,044,928	566,914	88,137	4,699,979
EXPENDITURES				
Current:				
General government	1,691,213	-	-	1,691,213
Public safety	1,373,420	-	-	1,373,420
Public works	164,444	-	-	164,444
Transportation	853,670	-	-	853,670
Culture and recreation	618,904	-	-	618,904
Capital outlay	140,000	-	693,080	833,080
Debt service:				
Principal	-	600,000	-	600,000
Interest and fiscal charges	-	11,042	-	11,042
Total expenditures	4,841,651	611,042	693,080	6,145,773
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(796,723)	(44,128)	(604,943)	(1,445,794)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,336,994	-	127,000	2,463,994
Transfers out	(127,000)	-	-	(127,000)
Insurance proceeds	52,931	-	92,400	145,331
Issuance of long-term debt	-	-	600,000	600,000
Total other financing sources (uses)	2,262,925	-	819,400	3,082,325
NET CHANGE IN FUND BALANCES	1,466,202	(44,128)	214,457	1,636,531
FUND BALANCES, BEGINNING	5,579,137	449,076	1,425,347	7,453,560
FUND BALANCES, ENDING	$ 7,045,339	$ 404,948	$ 1,639,804	$ 9,090,091

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

CITY OF CALDWELL, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds	$ 1,636,531
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	828,769
Depreciation	(736,613)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,329
Current year changes in certain long-term liabilities and deferred outflows of resources related to pensions and OPEB do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(87,150)
Change in net position of governmental activities	$ 1,644,866

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

CITY OF CALDWELL, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUND

SEPTEMBER 30, 2023

	Utilities
ASSETS	
Current assets:	
Cash and investments	$ 10,405,900
Accounts receivable, net	866,689
Intergovernmental receivable	772,398
Inventory	632,667
Total current assets	12,677,654
Noncurrent assets:	
Capital assets:	
Land	164,894
Construction in progress	861,806
Buildings and improvements	1,104,950
Equipment	2,663,474
Infrastructure	4,137,302
Accumulated depreciation	(5,534,573)
Total capital assets	3,397,853
Total noncurrent assets	3,397,853
Total assets	16,075,507
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	407,186
Related to OPEB	11,925
Total deferred outflows of resources	419,111
LIABILITIES	
Current liabilities:	
Accounts payable	1,211,508
Accrued liabilities	13,626
Customer deposits	360,255
Compensated absences	15,884
Total current liabilities	1,601,273
Long-term liabilities:	
Compensated absences	50,753
Net pension liability	336,713
Total OPEB liability	76,789
Total long-term liabilities	464,255
Total liabilities	2,065,528
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	16,416
Related to OPEB	33,394
Total deferred inflows of resources	49,810
NET POSITION	
Net investment in capital assets	3,057,041
Unrestricted	11,322,239
Total net position	$ 14,379,280

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

CITY OF CALDWELL, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Utilities
OPERATING REVENUES	
Charges for services	$ 9,544,968
Total operating revenues	9,544,968
OPERATING EXPENSES	
Cost of sales and services	7,836,287
Personnel services	1,426,286
Professional fees and services	481,102
Depreciation	285,735
Total operating expenses	10,029,410
OPERATING INCOME (LOSS)	(484,442)
NONOPERATING REVENUES (EXPENSES)	
Grants and contributions	286,735
Investment earnings	186,981
Miscellaneous revenue	70,605
Total nonoperating revenues (expenses)	544,321
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	59,879
Capital contributions	859,798
Transfers out	(2,336,994)
CHANGE IN NET POSITION	(1,417,317)
TOTAL NET POSITION, BEGINNING	15,796,597
TOTAL NET POSITION, ENDING	$ 14,379,280

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

CITY OF CALDWELL, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Utilities
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 9,974,147
Cash payments to employees for services	(1,378,318)
Cash payments to suppliers and employees	(9,033,316)
Cash provided (used) by operating activities	(437,487)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating grants	286,735
Cash received for miscellaneous items	70,605
Cash received from other funds	537,533
Cash paid to other funds	(220,000)
Transfers to other funds	(2,336,994)
Cash provided (used) for noncapital financing activities	(1,662,121)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES FINANCING ACTIVITIES	
Capital grants	87,400
Acquisition and construction of capital assets	(743,506)
Cash provided (used) by capital and related financing activities	(656,106)
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on investments	186,981
Cash provided by investing activities	186,981
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,568,733)
CASH AND CASH EQUIVALENTS, BEGINNING	12,974,633
CASH AND CASH EQUIVALENTS, ENDING	10,405,900
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	(484,442)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	285,735
Decrease (increase) in customer receivable	374,130
Decrease (increase) in inventory	(132,419)
Decrease (increase) in deferred outflow-OPEB	5,987
Decrease (increase) in deferred outflow-pensions	(324,913)
Increase (decrease) in deferred inflow-pensions	(321,100)
Increase (decrease) in deferred inflow-OPEB	28,756
Increase (decrease) in accounts payable	(583,508)
Increase (decrease) in accrued liabilities	1,599
Increase (decrease) in customer deposits	55,049
Increase (decrease) in compensated absences	6,204
Increase (decrease) in total OPEB liability	(21,796)
Increase (decrease) in net pension liability	673,231
Total adjustments	46,955
Net cash provided (used) by operating activities	$ (437,487)

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Caldwell, Texas (the "City"), a General Law municipal corporation organized and existing under the provisions of the Constitution of the State of Texas, operates under a council-manager form of government and, as authorized, provides the following services: public safety (police and fire), highways and streets, sanitation, water, sewer, and electrical services, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. The financial statements of the City have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the City's accounting policies are described below:

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenue are reported instead as *general revenue.*

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if 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.

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

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Debt Service Fund*** is used to account for the accumulation of restricted resources for the payment of general long-term debt principal and interest.

The ***Capital Projects Fund*** is used to account for financial resources assigned to be used for the acquisition or construction of major capital facilities.

The City reports the following major proprietary funds:

The ***Utilities Fund*** are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function or electric function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and debt service funds. The capital projects fund is appropriated on a project-length basis.

The appropriated budget is prepared by fund and function. The City Administrator may make transfers of appropriations within a function. Transfers of appropriations between functions require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level.

In the General Fund, actual expenditures exceeded appropriations in the public safety function ($346,104), the public works function ($43,826), transportation function ($194,802), and culture & recreation function ($32,787). The excess expenditures were covered by other functional areas in the budget.

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

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

Deposits and Investments

Cash includes not only currency on hand, but also demand deposits with banks or other financial institutions. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Generally, only investments with original maturities of three months or less meet this definition.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due on or before September 30 of the following year. All unpaid taxes become delinquent February 1 of the following year. City property tax revenue is recognized when levied. An allowance is established for delinquent taxes to the extent that their collectability is improbable.

The City's property tax is levied each October 1 on the assessed value listed as of the previous January 1 for all real and personal property located in the City. The assessment ratio of the City is 100 percent of market value.

Since 1980, the appraisal of property within the City has been the responsibility of the countywide appraisal district. The appraisal district is required under the property tax code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed at least every five years. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property.

Inventories and Prepaid Items

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method in the Water Sewer Fund and last-in/first-out (LIFO) method in the Utility Fund. The costs of inventories are recorded as expenditures when used (consumption method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g. roads, bridges, sidewalks and similar items), and water rights are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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

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

Assets	Years
Buildings	20
Vehicles	7
Improvements	10 - 20
Equipment	5 - 7
Infrastructure	20

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows and inflows of resources related to pensions, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City'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 City's Total Pension Liability is obtained from TMRS through a report prepared for the City 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.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the total OPEB liability, related deferred outflows and inflows of resources, and total OPEB expense, information about the plan is provided through a report prepared for the City provided by the City's actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Deferred Outflows/Inflows of Resources

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

- Pension and OPEB (Other Post-Employment Benefits) contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

- Difference in expected and actual economic experience for the City's pension liability – These effects on the total pension liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active or inactive employees).

- Changes in economic and demographic actuarial assumptions or of other inputs included in determining the pension liability – these effects on the total pension liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active or inactive employees).

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Unavailable revenue – The governmental funds report unavailable revenue from two sources: property taxes and municipal court fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- Difference in expected and actual economic experience for the City's pension and OPEB liability – These effects on the total pension and total OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active or inactive employees).

- Changes in economic and demographic actuarial assumptions or of other inputs included in determining the OPEB liability – these effects on the total OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active or inactive employees).

Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned, but unused, vacation, comp time and sick leave. Upon separation from City employment, a regular employee who has completed at least one year of continuous employment will be paid for accrued and unused vacation leave and comp time up to the limit of his or her maximum allowable accumulation. No more than 192 hours for employees with less than 15 years' employment with the City, and 240 hours for employees with more than 15 years can be carried over to the next year. Comp time is limited to 240 hours. On the employee's anniversary date, any vacation leave balance in excess of the appropriate maximum is reduced to the maximum without compensation. Accumulated unpaid vacation and comp time amounts are accrued as a current liability in the period they are earned in proprietary funds (using the accrual basis of accounting) and the government-wide financial statements. In governmental funds, the cost of vacation and comp pay is recognized when payments are due. In the event of termination or retirement, sick pay is not paid. Therefore, no accrued liabilities for sick pay are recorded.

Long-term Obligations

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

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

Net Position Flow Assumption

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

Fund Balance Flow Assumption

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

Fund Balance Policies

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

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

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

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Use of Estimates

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

2. DETAILED NOTES ON ALL ACTIVITES AND FUNDS

A. Deposits and Investments

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2023, the entire deposit balance of the City was fully collateralized with securities held by the pledging financial institution in the City's name or covered by FDIC insurance.

B. Receivables

Receivables as of year-end for the City's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Utilities	Total
Receivables:				
Taxes	$ 430,611	$ 54,749	$ -	$ 485,360
Accounts	-	-	1,211,415	1,211,415
Municipal court	496,335	-	-	496,335
Gross receivables	926,946	54,749	1,211,415	2,193,110
Less: allowance for uncollectibles	(470,617)	(13,777)	(344,726)	(829,120)
Net total receivables	$ 456,329	$ 40,972	$ 866,689	$ 1,363,990

C. Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	$ 844,149	$ -	$ -	$ 844,149
Construction in progress	4,244,303	505,055	-	4,749,358
Total capital assets not being depreciated	5,088,452	505,055	-	5,593,507
Capital assets, being depreciated:				
Buildings and improvements	6,802,908	-	-	6,802,908
Equipment	2,990,472	323,714	(185,511)	3,128,675
Infrastructure	5,920,780	-	-	5,920,780
Total capital assets being depreciated	15,714,160	323,714	(185,511)	15,852,363
Less accumulated depreciation:				
Buildings and improvements	(5,166,636)	(285,353)	-	(5,451,989)
Equipment	(2,421,938)	(155,221)	185,511	(2,391,648)
Infrastructure	(2,792,327)	(296,039)	-	(3,088,366)
Total accumulated depreciation	(10,380,901)	(736,613)	185,511	(10,932,003)
Total capital assets, being depreciated, net	5,333,259	(412,899)	-	4,920,360
Governmental activities capital assets, net	$ 10,421,711	$ 92,156	$ -	$ 10,513,867

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land and improvements	$ 164,894	$ -	$ -	$ 164,894
Construction in progress	-	861,806	-	861,806
Total capital assets not being depreciated	164,894	861,806	-	1,026,700
Capital assets, being depreciated:				
Buildings and improvements	1,104,950	-	-	1,104,950
Equipment	2,750,484	-	(87,010)	2,663,474
Infrastructure	4,137,302	-	-	4,137,302
Total capital assets being depreciated	7,992,736	-	(87,010)	7,905,726
Less accumulated depreciation:				
Buildings and improvements	(1,087,442)	(4,277)	-	(1,091,719)
Equipment	(2,206,939)	(70,172)	87,010	(2,190,101)
Infrastructure	(2,041,467)	(211,286)	-	(2,252,753)
Total accumulated depreciation	(5,335,848)	(285,735)	87,010	(5,534,573)
Total capital assets, being depreciated, net	2,656,888	(285,735)	-	2,371,153
Business-type activities capital assets, net	$ 2,821,782	$ 576,071	$ -	$ 3,397,853

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

Governmental activities:	
General government	$ 22,953
Public safety	127,754
Public works	5,163
Transportation	367,555
Culture and recreation	213,188
Total depreciation expense - governmental activities	$ 736,613
Business-type activities:	
Utilities	$ 285,735
Total depreciation expense - business-type activities	$ 285,735

D. Interfund Receivables, Payables and Transfers

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

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Debt service	$ 24,112
		$ 24,112

All balances of the due to/due from resulted from short-term loans that are to be reimbursed within the next year.

Interfund transfers:

	Transfers In		
	General	Capital Projects	Total
Transfers Out:			
General	$ -	$ 127,000	$ 127,000
Utilities	2,336,994	-	2,336,994
Total Transfers	$ 2,336,994	$ 127,000	$ 2,463,994

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Long-term Liabilities

Time Warrants

As of year-end, the total time warrants outstanding is $600,000 which matures in August 2024 with an interest rate of 2.50%.

Changes in Long-term Liabilities

The following is a summary of long-term liability activity for the year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government activities					
Time warrants from direct borrowing	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000
Compensated absences	140,645	37,235	22,491	155,389	24,848
Governmental activity Long-term liabilities	$ 740,645	$ 637,235	$ 622,491	$ 755,389	$ 624,848
Business-type activities					
Compensated absences	$ 60,433	$ 20,551	$ 14,347	$ 66,637	$ 15,884
Business-type activity Long-term liabilities	$ 60,433	$ 20,551	$ 14,347	$ 66,637	$ 15,884

For governmental activities, compensated absences are generally liquidated by the General Fund.

The City's outstanding time warrants from direct borrowings related to governmental activities of $600,000 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

F. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

G. Contingent Liabilities

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

H. Defined Benefit Pension Plan

Plan Description. The City participates as one of 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report that can be obtained at *www.tmrs.com*.

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

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

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

The City grants monetary credits for service rendered of a theoretical amount equal to two times what would have been contributed by the employee, with interest. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 2010, the City granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount that takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 2010, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate	5%
Matching ratio (City to employee)	2 to 1
Years required for vesting	10
Service retirement eligibility	20 years to any age, 10 years at age 60 and above
Updated service credit	100% Repeating
Annuity increase to retirees	50% of CPI Repeating

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	33
Inactive employees entitled to but not yet receiving benefits	37
Active employees	64
	134

Contributions. The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are with 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 6.94% and 8.26% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were $237,435, and were equal to the required contributions.

Net Pension Liability. The city's Net Pension Liability (NPL) was measured as of December 31, 2021, 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	2.50% per year
Overall payroll growth	2.65% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members were 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 retirees and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees 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% minimum mortality rate is 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 were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, 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).

The target allocation and best estimates of real rates return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global 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 employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2021	$ 12,567,736	$ 13,450,282	$ (882,546)
Changes for the year:			
Service cost	320,667	-	320,667
Interest	840,637	-	840,637
Change in benefit terms	(4,999)	-	(4,999)
Difference between expected and actual experience	(55,794)	-	(55,794)
Contributions - employer	-	195,744	(195,744)
Contributions - employee	-	137,862	(137,862)
Net investment income	-	(980,652)	980,652
Benefit payments, including refunds of employee contributions	(538,370)	(538,370)	-
Administrative expense	-	(8,495)	8,495
Other changes	-	10,138	(10,138)
Net changes	562,141	(1,183,773)	1,745,914
Balance at 12/31/2022	$ 13,129,877	$ 12,266,509	$ 863,368

In prior years, the net pension liability for governmental activities has been primarily liquidated by the general fund.

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	$ 2,407,319	$ 863,368	$ (430,506)

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 the City. The report may be obtained at *www.tmrs.com*.

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

For the year ended September 30, 2023, the City recognized pension expense of $330,403. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 35,565	$ 42,093
Difference between projected and actual investment earnings	835,217	-
Contributions subsequent to the measurement date	173,283	-
Total	$ 1,044,065	$ 42,093

$173,283 reported as deferred outflows of resources related to pension 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 expenses as follows:

Year Ended September 30,		
2024	$	32,717
2025		199,546
2026		218,717
2027		377,709

I. Other Post-Employment Benefits

Plan Description. Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDB"). 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. As the SDB 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).

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 an other post-employment benefit (OPEB) and is a fixed amount of $7,500.

The member city contributes to the SDB 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 the employee' entire career.

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	25
Inactive employees entitled to but not yet receiving benefits	6
Active employees	64
Total	95

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.45% and 0.68% in calendar years 2022 and 2023, respectively, of which 0.26% and 0.30%, respectively, represented the retiree-only portion for each year, as a percentage of covered payroll. 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. The City's contributions to the TMRS SDBF for the year ended September 30, 2023, were $7,169, representing contributions for both active and retiree coverage, and were equal to the required contributions.

Total OPEB Liability. The city's Total OPEB Liability (TOL) of $196,894 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs

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

Inflation rate	2.50% per annum
Salary increases	3.50% to 11.50%, including inflation
Discount rate	4.05%
Actuarial cost method	Entry Age Normal
Reitrees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward for males and a 4 year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The 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.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees, and the assets are not segregated for these groups. As such, a single discount rate of 4.05% was used to measure the Total OPEB Liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.05%) in measuring the Total OPEB Liability.

	1% Decrease in Discount Rate (3.05%)	Current Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
City's total OPEB liability	$ 229,352	$ 196,894	$ 170,632

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2021	$ 287,711
Changes for the year:	
Service cost	13,786
Interest	5,355
Difference between expected and actual experience	(20,743)
Changes in assumptions or other inputs	(82,046)
Benefit payments	(7,169)
Net changes	(90,817)
Balance at 12/31/2022	$ 196,894

Note: There are no assets accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 to pay related benefits.

Changes in assumptions and other inputs reflect a change in the discount rate and the change in the actuarial assumptions adopted in 2020 based on the actuarial investigation of the experience of TMRS over the period from December 31, 2014 to December 31, 2018.

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

For the year ended September 30, 2023, the City recognized OPEB expense of $5,827. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 20,706
Changes in actuarial assumptions	23,923	64,921
Contributions subsequent to the measurement date	6,656	-
Total	$ 30,579	$ 85,627

$6,656 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30,	
2024	$ (10,366)
2025	(16,303)
2026	(21,433)
2027	(13,602)

J. Subsequent Event

The City issued Time Warrant Number 136 dated May 16, 2024, in the amount of $600,000 at the rate of 5.13% per annum for capital improvement projects and equipment. The series matures August 2025.

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CITY OF CALDWELL, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	$ 780,000	$ 780,000	$ 794,144	$ 14,144
Sales	1,950,000	1,950,000	2,195,763	245,763
Other	137,200	137,200	170,828	33,628
Charges for services	20,600	20,600	40,454	19,854
Fines and fees	201,725	201,725	238,867	37,142
Intergovernmental	547,500	547,500	117,279	(430,221)
Licenses and permits	55,500	55,500	77,651	22,151
Investment earnings	16,450	16,450	114,765	98,315
Miscellaneous	283,500	283,500	295,177	11,677
Total revenues	3,992,475	3,992,475	4,044,928	52,453
EXPENDITURES				
Current:				
General government	2,787,512	2,787,512	1,691,213	1,096,299
Public safety	1,027,316	1,027,316	1,373,420	(346,104)
Public works	120,618	120,618	164,444	(43,826)
Transportation	658,868	658,868	853,670	(194,802)
Culture and recreation	586,117	586,117	618,904	(32,787)
Capital outlay	250,000	250,000	140,000	110,000
Total expenditures	5,430,431	5,430,431	4,841,651	588,780
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,437,956)	(1,437,956)	(796,723)	641,233
OTHER FINANCING SOURCES (USES)				
Transfers in	910,000	910,000	2,336,994	1,426,994
Transfers out	(127,000)	(127,000)	(127,000)	-
Insurance recoveries	1,500	1,500	52,931	51,431
Total other financing sources (uses)	784,500	784,500	2,262,925	1,478,425
NET CHANGE IN FUND BALANCES	(653,456)	(653,456)	1,466,202	2,119,658
FUND BALANCE, BEGINNING	5,579,137	5,579,137	5,579,137	-
FUND BALANCE, ENDING	$ 4,925,681	$ 4,925,681	$ 7,045,339	$ 2,119,658

CITY OF CALDWELL, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Measurement Date December 31,	**2015**	**2016**	**2017**
A. Total pension liability			
Service Cost	$ 213,919	$ 216,064	$ 238,274
Interest (on the Total Pension Liability)	644,416	662,716	691,070
Difference between expected and actual experience	(61,217)	8,058	115,525
Change of assumptions	159,139	-	-
Benefit payments, including refunds of employee contributions	(320,972)	(369,548)	(586,227)
Net change in total pension liability	635,285	517,290	458,642
Total pension liability - beginning	9,259,471	9,894,756	10,412,046
Total pension liability - ending (a)	$ 9,894,756	$ 10,412,046	$ 10,870,688
B. Plan fiduciary net position			
Contributions - employer	$ 188,335	$ 174,482	$ 200,025
Contributions - employee	100,715	99,477	109,905
Net investment income	13,421	612,799	1,327,413
Benefit payments, including refunds of employee contributions	(320,972)	(369,548)	(586,227)
Administrative expenses	(8,175)	(6,922)	(6,880)
Other	(404)	(373)	(348)
Net change in plan fiduciary net position	(27,080)	509,915	1,043,888
Plan fiduciary net position - beginning	9,095,910	9,068,830	9,578,745
Plan fiduciary net position - ending (b)	$ 9,068,830	$ 9,578,745	$ 10,622,633
C. Net pension liability (asset) - ending (a) - (b)	$ 825,926	$ 833,301	$ 248,055
D. Plan fiduciary net position as a percentage of total pension liability	91.65%	92.00%	97.72%
E. Covered payroll	$ 2,014,301	$ 1,989,540	$ 2,198,101
F. Net position liability as a percentage of covered payroll	41.00%	41.88%	11.28%

Note: this schedule is required to have 10 years of information, but the information prior to 2015 is not available

2018	2019	2020	2021	2022
$ 247,192	$ 237,614	$ 245,957	$ 267,339	$ 320,667
728,892	745,055	771,014	800,448	840,637
(230,810)	(57,901)	(37,764)	85,308	(55,794)
-	4,426	-	-	(4,999)
(391,759)	(610,302)	(487,293)	(620,368)	(538,370)
353,515	318,892	491,914	532,727	562,141
10,870,688	11,224,203	11,543,095	12,035,009	12,567,736
$ 11,224,203	$ 11,543,095	$ 12,035,009	$ 12,567,736	$ 13,129,877
$ 210,933	$ 204,294	$ 186,011	$ 179,218	$ 195,744
114,018	109,601	114,398	124,113	137,862
(318,073)	1,581,119	872,897	1,587,691	(980,652)
(391,759)	(610,302)	(487,293)	(620,368)	(538,370)
(6,150)	(8,938)	(5,652)	(7,351)	(8,495)
(320)	(268)	(219)	49	10,138
(391,351)	1,275,506	680,142	1,263,352	(1,183,773)
10,622,633	10,231,282	11,506,788	12,186,930	13,450,282
$ 10,231,282	$ 11,506,788	$ 12,186,930	$ 13,450,282	$ 12,266,509
$ 992,921	$ 36,307	$ (151,921)	$ (882,546)	$ 863,368
91.15%	99.69%	101.26%	107.02%	93.42%
$ 2,280,367	$ 2,192,016	$ 2,287,968	$ 2,482,256	$ 2,862,050
43.54%	1.66%	-6.64%	-35.55%	30.17%

CITY OF CALDWELL, TEXAS

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	January 31,		
Fiscal Year Ended	**2015**	**2016**	**2017**
Actuarial determined contribution	$ 193,294	$ 188,032	$ 183,367
Contributions in relation to the actuarially determined contribution	(193,294)	(188,032)	(183,367)
Contribution deficiency (excess)	-	-	-
Covered payroll	1,892,750	1,949,090	2,000,848
Contributions as a percentage of covered payroll	10.21%	9.65%	9.16%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	14 years
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 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 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 There were no benefit changes during the year.

* During the fiscal year 2020, the City changed its fiscal year to September 30. This represents eight months of data.

January 31,			September 30,			
2018	2019	2020	2020*	2021	2022	2023
$ 208,936	$ 210,969	$ 201,581	$ 119,627	$ 132,298	$ 151,438	$ 237,435
(208,936)	(210,969)	(201,581)	(119,627)	(132,298)	(151,438)	(237,435)
-	-	-	-	-	-	-
2,210,514	2,279,419	2,184,209	1,471,429	2,434,630	2,776,671	2,999,254
9.45%	9.26%	9.23%	8.13%	5.43%	5.45%	7.92%

CITY OF CALDWELL, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Measurement Date December 31,	**2018**	**2019**	**2020**	**2021**	**2022**
A. Total OPEB liability					
Service Cost	$ 6,613	$ 5,699	$ 8,237	$ 11,667	$ 13,786
Interest (on the total OPEB liability)	6,689	7,102	6,457	5,478	5,355
Difference between expected and actual experience	(8,932)	(3,901)	(5,621)	(1,924)	(20,743)
Changes of assumptions	(12,677)	35,116	32,548	7,793	(82,046)
Benefit payments	(1,824)	(1,973)	(1,830)	(6,702)	(7,169)
Net change in total OPEB liability	(10,131)	42,043	39,791	16,312	(90,817)
Total OPEB liability - beginning	199,696	189,565	231,608	271,399	287,711
Total OPEB liability - ending	$ 189,565	$ 231,608	$ 271,399	$ 287,711	$ 196,894
B. Covered employee payroll	$ 2,280,367	$ 2,192,016	$ 2,287,968	$ 2,482,256	$ 2,482,256
C. Total OPEB liability as a percentage of covered employee payroll	8.31%	10.57%	11.86%	11.59%	7.93%

Note: GASB 75 requires 10 years of data to be included in this schedule. Additional years will be presented as they become available.

Note: No assets are accumulated in a trust to pay related benefits.

SUPPLEMENTARY INFORMATION

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CITY OF CALDWELL, TEXAS

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	$ 615,000	$ 615,000	$ 559,785	$ (55,215)
Investment earnings	800	800	7,129	6,329
Total revenues	615,800	615,800	566,914	(48,886)
EXPENDITURES				
Debt service:				
Principal	600,000	600,000	600,000	-
Interest and fiscal charges	15,000	15,000	11,042	3,958
Total expenditures	615,000	615,000	611,042	3,958
NET CHANGE IN FUND BALANCES	800	800	(44,128)	(44,928)
FUND BALANCE, BEGINNING	449,076	449,076	449,076	-
FUND BALANCE, ENDING	$ 449,876	$ 449,876	$ 404,948	$ (44,928)

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