

City of Murphy, Texas



Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2022

Prepared by: City of Murphy, Texas Finance Department

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Introductory Section

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March 24, 2023

Honorable Mayor Scott Bradley and City Council
City of Murphy
Murphy, Texas

Dear Mayor Bradley and Council Members:

The City of Murphy's Annual Comprehensive Financial Report for the year ended September 30, 2022, is hereby submitted.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's independent audit firm Weaver and Tidwell, L.L.P., has issued an unmodified ("clean") opinion on the City of Murphy's financial statements for the year ended September 30, 2022. The independent auditor's report is located in the beginning of Annual Report.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements.

GENERAL INFORMATION – CITY OF MURPHY

The City of Murphy, Texas incorporated in 1958, and is located in Collin County, the northeastern part of the Dallas-Fort Worth metroplex. The City occupies 5.1 square miles and serves a population of approximately 21,200. The City of Murphy is authorized under state law to levy a property tax on both real and personal property located within its boundaries. It also is authorized by state law to extend its corporate limits by annexation, which it has done from time to time.

The City of Murphy has operated under the council-manager form of government since February 7, 2004. Policy-making and legislative authority of the City are vested in the governing body of the City Council ("Council"). The Council consists of the Mayor and six other members, all elected on a non-partisan basis. The Mayor and each Council member serve a three-year term and are elected at large. The City Council appoints the City Manager, who serves as Chief Administrative Officer of the City. The City Manager is responsible to the City Council for all of the administrative and operational duties of the City. The City Manager also establishes, directs and supervises the administration of all departments of the City, with the exception of those offices outlined in the city charter.



Mike Castro, PhD
City Manager

206 North Murphy Road
Murphy, TX 75094
www.murphytx.org

The City of Murphy provides a full range of services, including police and fire protection; emergency medical services; water and sewer operations/maintenance; utility billing and collection; solid waste collection and disposal; municipal court; animal control services; community development (planning and zoning, code compliance, building inspections and health inspections); construction and maintenance of roadways, streets, sidewalks, drainage and other infrastructure; public improvements; and parks, recreational and community activities.

The financial reporting entity includes all funds of the primary government (i.e., the City of Murphy as legally defined), as well as its component units. Component units are legally separate entities for which the primary government is financially accountable and are not part of the primary government's operations. The Murphy Municipal Development District and the Murphy Community Development Corporation are included in the financial statements as discretely presented component units.

The City Manager is required by city charter to present the proposed budget to the City Council in accordance with state law. The City Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared and adopted by fund and department levels.

ECONOMIC CONDITIONS AND OUTLOOK

The local economy fully recovered from the impact of the COVID-19 pandemic during 2022. The city remains a vital retail hub for the region. There were a handful of new construction projects which welcomed new business to the city. Nearly all commercial vacancies created due to pandemic related business closures were quickly backfilled. In addition, 98% of the vacant commercial space that existed prior to the pandemic was also filled. There have been two other reasons for the increase in sales tax revenue. Namely, a legislative change in 2019 that modified sales tax collections from a point-of-sale basis to a point-of-destination basis. Secondarily, more residents are working from home and therefore shopping and eating locally. Property values have steadily increased in recent years, as the economy locally and state-wide continues to grow. There was a 3.54% increase in FY22. As the city reaches build out, land remaining for residential development is increasingly scarce. Any new residential developments in the city will be diminutive. Areas such as Wylie, Sachse, and Parker, immediately surrounding Murphy, continue to expand at a rapid pace. These additional businesses and growing tax revenue should help offset the declining building and development fee revenues as the City reaches build out. The city also projects a favorable outlook toward redevelopment of underutilized commercial sites, thus increasing the property tax base while attracting additional new businesses.

MAJOR INITIATIVES

For the fiscal year ended September 30, 2022, the top priority projects of the City of Murphy included:

- Completion of N. Maxwell Creek Road 8" Water Line
- Completion of S. Murphy Road Asbestos Cement Water Line replacement
- Completion of Windy Hill Farm Lift Station – Jib Crane and Hoist Project
- Started the Water Meter System project of installing new meters and upgrading software
- Completion of N. Maxwell Creek Road Stormwater drainage construction
- Completion of N. Maxwell Creek Road Improvements
- Completion of Timber Addition Drainage
- Completion of North Hill Park Phase III project
- Completion of Travis Farm Park Phase II project
- Completion of S. Maxwell Creek Road and Kinney Road rehabilitation project
- Completion of City-wide Sidewalk Improvement project
- Purchased 2023 Mack Dump Truck
- Purchased 2021 John Deere Backhoe

FINANCIAL INFORMATION

Accounting Procedures and Budgetary Controls

The City's accounting records for the general government are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's water and sewer utility and other proprietary activities are maintained on an accrual basis.

The budgetary process begins each year with an update of current year revenue and expenditure projections, as well as proposed new year revenue and expenditure estimates. All governmental funds are legally adopted and appropriated on an annual basis. In order to achieve a five-year forecast, revenues and expenditures are also estimated for the succeeding four years. A budget calendar is approved by City Council each year, which outlines the dates for review of proposed revenues and expenditures, along with the City Council work session dates, the date for submission of the recommended budget, the public hearing dates, and the final budget adoption date.

Throughout the fiscal year, departmental expenditures are controlled by the directors. Additional expenditure controls include quarterly reviews with the City Manager and Finance Director, as well as City Council approval for any budget amendments to increase expenditures. The purpose of these controls is to ensure expenditures are in accordance with the adopted budget and policy directives of the City Council.

Relevant financial policies

The City has adopted an investment policy to document the strategy of the City's investments and maintain an efficient cash management program. Hilltop Securities provides financial advisory services to the City for the issuance of long-term debt such as general obligation bonds, certificates of obligation, and tax notes.

General Governmental Functions

Tax Rates: All eligible property within the City is subject to assessment, levy and collection of an ad valorem tax sufficient to provide for the payment of principal and interest on outstanding bonds, and the payment of operation and maintenance costs as approved by the City Council in the annual adopted budget. The City's tax rate history as adopted by the City Council is shown below:

Tax Rate per \$100 of Assessed Valuation

FY 2018	.5000
FY 2019	.4900
FY 2020	.4950
FY 2021	.4950
FY 2022	.4950

OTHER INFORMATION

Awards and Acknowledgments

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Murphy, Texas for the FY21 Annual Comprehensive Financial Report. This was the eighteenth year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement,

the City was required to publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this current Annual Financial Report continues to meet the Certificate of Achievement program requirements, and it will be submitted to the GFOA for consideration.

Acknowledgements

There are many people responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to Karen Montgomery, Finance Director, Berna Fitzpatrick-Walker, and City employees throughout the organization, and to the auditors, all of whom were instrumental in the successful completion of this report.

Respectfully submitted,

A handwritten signature in blue ink that reads "Mike Castro". The signature is stylized and cursive.

Mike Castro, PhD
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

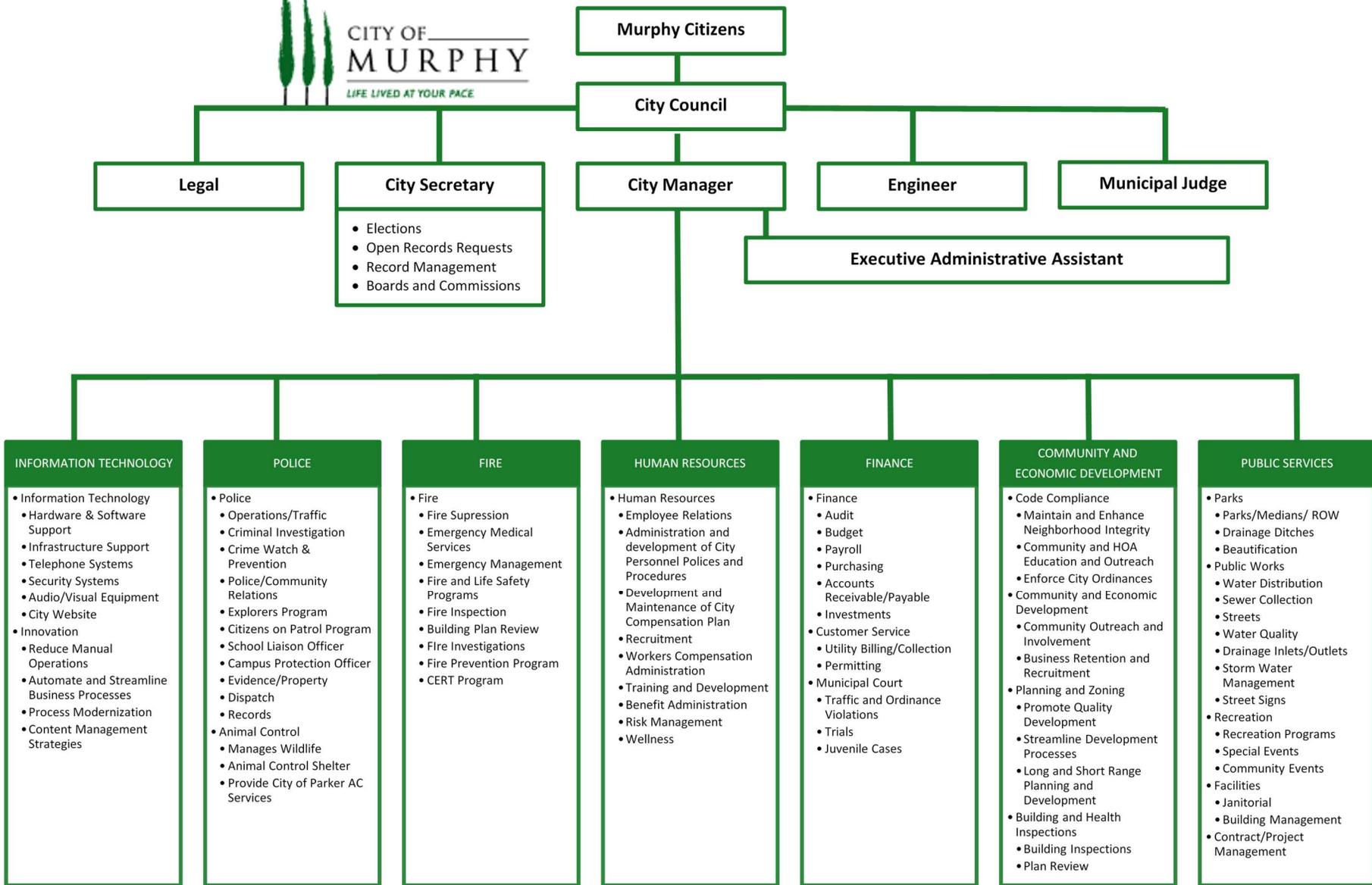
**City of Murphy
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO





City Council

Scott Bradley
Mayor

Elizabeth Abraham
Mayor Pro Tem

Jené Butler, DNP
Deputy Mayor
Pro Tem

Jennifer Berthiaume
Council, Place 2

Andrew Chase
Council, Place 3

Ken Oltmann
Council, Place 4

Sarah Fincanon
Council, Place 5

City Manager

Mike Castro, PhD

Leadership Team

Susie Quinn, TRMC
City Secretary

Chris Chandler
Chief of Police

Jared Mayfield, AICP
Community & Econ.
Develop Director

Tim Rogers
Public Services Director

Taylor Prentice
IT Director

Karen L. Montgomery, CPA
Finance Director

Del Albright, FSCEO
Fire Chief

Whitney Casey, SHRM-SCP
Human Resources
Director

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Financial Section

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Independent Auditor's Report

The Honorable Mayor, and Members of the City Council
City of Murphy, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of City of Murphy, Texas (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and respective budgetary comparison schedule for the General Fund 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 6 through 16), and the TMRS pension and OPEB liability schedules (pages 66-69) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Mayor, and Members of the City Council
City of Murphy, Texas

Supplementary Information

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

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

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

Management is responsible for the other information included in the ACFR. The other information comprises the Introductory Section, Statistical Section and Continuing Disclosure Section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
March 24, 2023

Management's Discussion and Analysis (Unaudited)

As management of the City of Murphy ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Murphy for the fiscal year September 30, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Murphy exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$110,201,693 (net position). Of this amount, \$89,957,306 or 82% is the net investment in capital assets. Net position restricted for specific purposes is \$1,678,845. The remaining, \$18,565,542 (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 government's total net position increased by \$6,278,708, mainly due to increased water and sewer charges for services revenues as well as property and sales tax revenues.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,125,600, an increase of \$2,714,330 in comparison with the prior year. The increase in combined ending fund balances is attributable to the \$1,162,538 increase in capital projects fund balance, the result of the issuance of tax notes less capital outlay expenditures in the current year for new capital projects. The increase in fund balance of the General Fund, \$1,554,347, was due to increases in property and sales taxes; and a transfer from the water and sewer fund.
- Approximately 57% of governmental funds combined ending fund balance, or \$10,978,229, is available for spending at the government's discretion (unassigned).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund of \$10,978,229 was 72% percent of total general fund expenditures for the fiscal year.
- The City's total outstanding long-term debt decreased by \$1,059,201 during the current fiscal year primarily due to current year payments on existing debt exceeding new bonds and notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City of Murphy's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Murphy.

Basic Financial Statements

The first two statements in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the City's financial status.

The next statements are Fund Financial Statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the proprietary funds statements, and 3) component units statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in these financial statements. After the notes, required supplementary information is provided to show details about the City's pension and OPEB plans and supplementary information about the debt service fund, the capital projects fund, the ARP Act fund and the individual component units.

Government-wide financial statements. The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The statement of net position presents information on all of the City of Murphy's assets, liabilities, and deferred inflows/outflows 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 activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the government-wide financial statements distinguish functions of the City of Murphy that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government-wide financial statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the City's basic services such as public safety, parks and recreation, and general administration. Property taxes, sales taxes and permit fees/court fees finance most of these activities. The business-type activities are those that the City charges customers to provide utility services. The final category is the component units. The City of Murphy has two component units, the Murphy Municipal Development District and the Murphy Community Development Corporation.

Fund financial statements. The fund financial statements provide a more detailed look at the City's most significant activities. 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 of Murphy, like other governmental entities in Texas, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City of Murphy can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds — Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

The City of Murphy adopts an annual appropriated budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the GAAP basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary funds. The City of Murphy has two proprietary funds: the Water & Sewer Fund and the Storm Water Fund, both of which are enterprise funds. The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. Because these services benefit business type functions, they have been included in the business-type activities in the government-wide financial statements.

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

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.

Other information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Murphy's net pension liability and total OPEB liability associated with participation in the Texas Municipal Retirement System.

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 25,009,432	\$ 20,971,066	\$ 14,579,014	\$ 12,804,080	\$ 39,588,446	\$ 33,775,146
Capital Assets	89,648,160	90,351,678	39,970,531	37,367,058	129,618,691	127,718,736
Total Assets	114,657,592	111,322,744	54,549,545	50,171,138	169,207,137	161,493,882
Deferred Outflows	1,183,960	1,156,599	142,131	147,432	1,326,091	1,304,031
Current liabilities	5,896,169	4,606,156	1,464,884	1,227,719	7,361,053	5,833,875
Noncurrent liabilities	37,894,530	40,393,031	13,093,480	11,654,180	50,988,010	52,047,211
Total liabilities	43,790,699	44,999,187	14,558,364	12,881,899	58,349,063	57,881,086
Deferred Inflows	1,756,321	873,463	226,151	120,379	1,982,472	993,842
Net position:						
Net investment in capital assets	60,541,429	58,791,930	29,415,877	28,651,208	89,957,306	87,443,138
Restricted	923,211	950,753	755,634	843,242	1,678,845	1,793,995
Unrestricted	8,829,892	6,864,010	9,735,650	7,821,842	18,565,542	14,685,852
Total net position	\$ 70,294,532	\$ 66,606,693	\$ 39,907,161	\$ 37,316,292	\$ 110,201,693	\$ 103,922,985

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources exceed liabilities and deferred inflows by \$110,201,693 as of September 30, 2022. Of this amount, \$70,294,532 is recorded in the governmental activities and \$39,907,161 in the business-type activities. The City's net position increased by \$6,278,708 for the fiscal year ended September 30, 2022.

Net investment in capital assets. The largest portion of the City's net position (80%) reflects the City's net investment in capital assets (e.g. land, buildings, machinery and equipment) less any related debt still outstanding that was issued to acquire those items. The City of Murphy uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Murphy's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Restricted net position. Restricted net position represents 2% which is subject to external restrictions on how it may be used, or by enabling legislation. The restricted net position is comprised of (a) \$651,244 for debt service and, (b) \$1,027,601 for state imposed and other restrictions.

Unrestricted net position. Unrestricted net position in the amount of \$18,565,542 is available to fund the City programs to citizens and creditors.

Table 2
Changes in Net Position

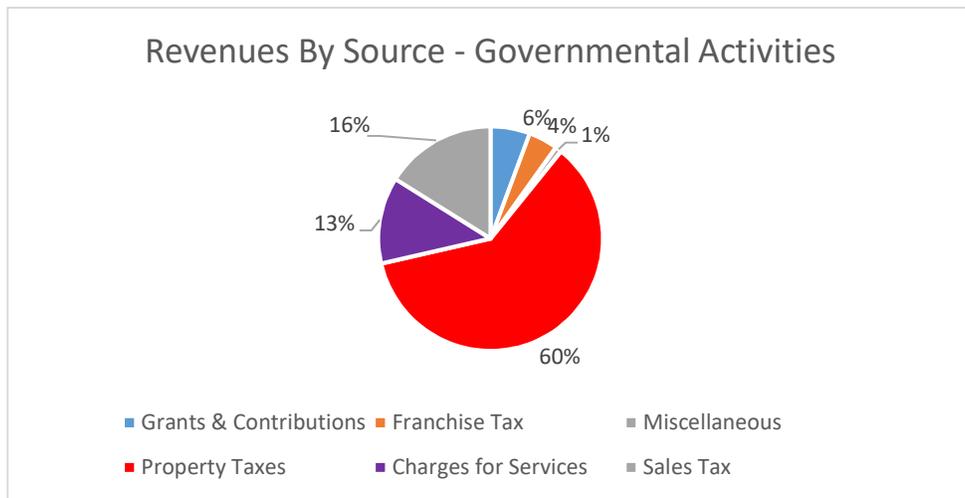
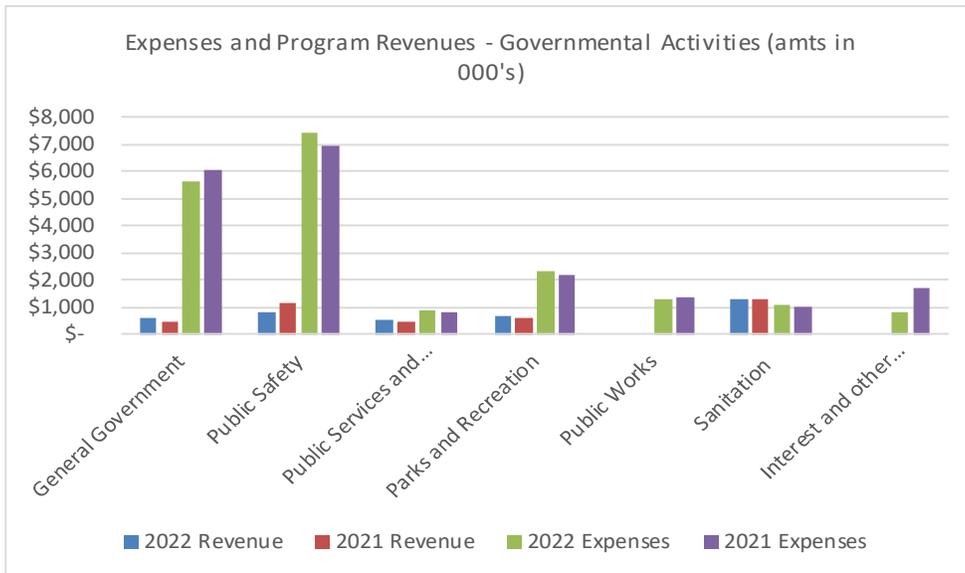
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for Services	\$ 2,702,129	\$ 2,706,500	\$ 13,221,434	\$ 12,009,154	\$ 15,923,563	\$ 14,715,654
Operating Grants and Contributions	732,166	783,502	-	-	732,166	783,502
Capital Grants and Contributions	406,556	442,897	512,905	195,932	919,461	638,829
General revenues:						
Property Taxes	13,546,208	13,104,392	-	-	13,546,208	13,104,392
Sales Taxes	3,612,244	3,474,325	-	-	3,612,244	3,474,325
Franchise Taxes	965,968	912,208	-	-	965,968	912,208
Investment Income	121,473	122,172	51,212	64,239	172,685	186,411
Other	151,650	75,145	100,610	3,945	252,260	79,090
Total Revenues	22,238,394	21,621,141	13,886,161	12,273,270	36,124,555	33,894,411
Expenses:						
General Government	5,643,889	6,029,080	-	-	5,643,889	6,029,080
Public Safety	7,428,012	6,927,506	-	-	7,428,012	6,927,506
Public services and operations	888,816	825,100	-	-	888,816	825,100
Parks and recreation	2,286,758	2,203,681	-	-	2,286,758	2,203,681
Public works	1,249,128	1,375,604	-	-	1,249,128	1,375,604
Sanitation services	1,053,989	1,033,989	-	-	1,053,989	1,033,989
Interest on long-term debt	788,355	1,702,943	-	-	788,355	1,702,943
Water and sewer	-	-	10,316,565	10,660,965	10,316,565	10,660,965
Storm water	-	-	190,335	222,298	190,335	222,298
Total expenses	19,338,947	20,097,903	10,506,900	10,883,263	29,845,847	30,981,166
Increase in Net Position						
before Transfers	2,899,447	1,523,238	3,379,261	1,390,007	6,278,708	2,913,245
Transfers	788,392	871,800	(788,392)	(871,800)	-	-
Change in Net Position	3,687,839	2,395,038	2,590,869	518,207	6,278,708	2,913,245
Net Position at beginning of year	66,606,693	64,211,655	37,316,292	36,798,085	103,922,985	101,009,740
Net Position at end of year	\$ 70,294,532	\$ 66,606,693	\$ 39,907,161	\$ 37,316,292	\$ 110,201,693	\$ 103,922,985

The Governmental Activities increased net position by \$3,687,839. This is primarily due to a \$925,000 transfer from business-type activities and increased property and sales taxes.

The Business-type Activities increased net position, by \$2,590,869. The net position increased due to charges for service revenue that exceeded expenses and transfers out.

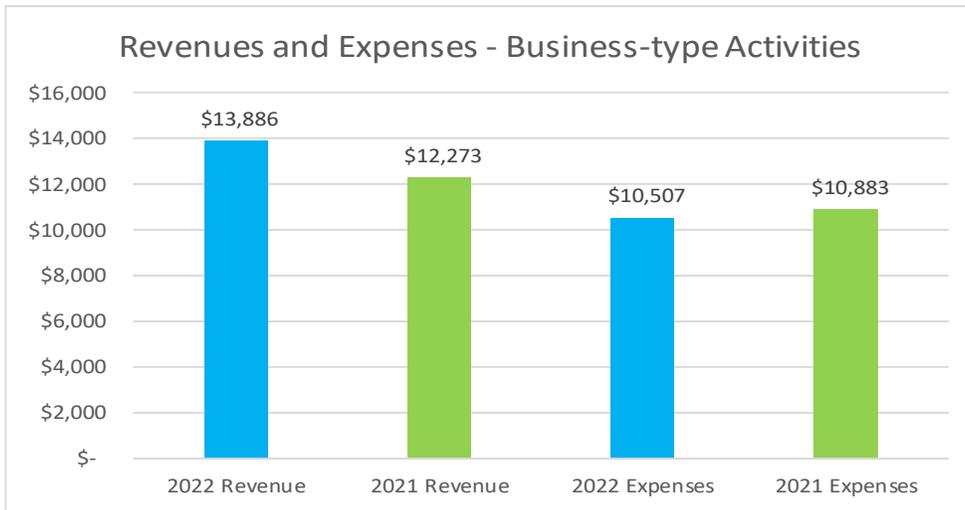
Governmental-type activities. Governmental-type activities increased the City's net position by \$3,687,839, which is a \$1,292,801 increase over the prior year. While some elements report increases, others decreased. The key changes in revenue and expense items when compared to the prior year are:

Increases in property and sales tax were the main cause in the \$617,253 overall increase in revenues. However, expenses decreased by \$758,956 which was mainly the result of decreased interest expense.

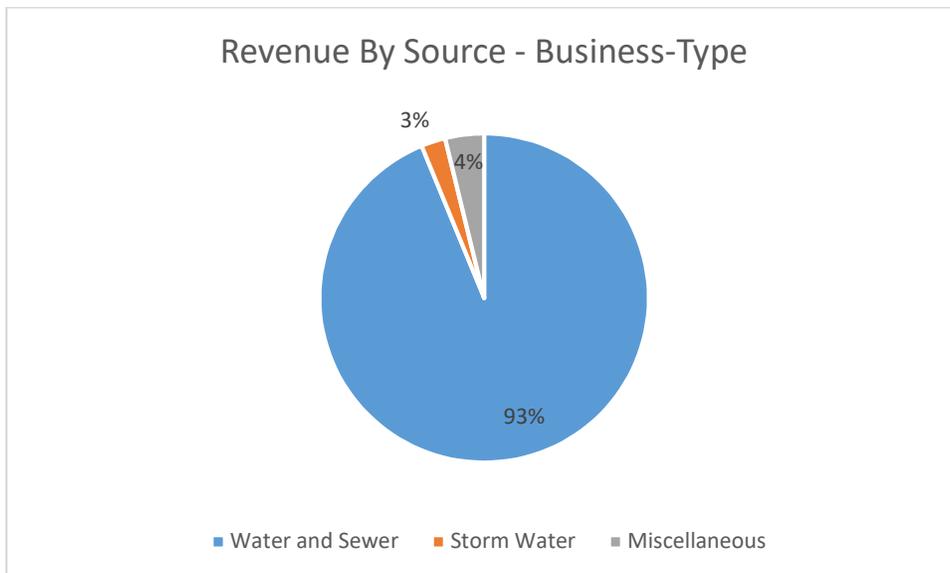


Business-type Activities – Business-type activities increased the City's net position by \$2,590,869. This represents an increase of \$2,072,662 from the prior year change in net position. Key elements for this increase are as follows:

The City experienced an increase in water and sewer charges for service revenue of about \$1,212,000, while also reporting an decrease in expenses of about \$376,000. These two factors were the main cause for the increase over the prior year change in net position noted above.



Revenues by Source – Business-type Activities



Financial Analysis of the City's Funds

As noted earlier, the City of Murphy 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 usable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's resources available for spending as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been granted City to assign resources for a particular purpose for the City.

The General Fund is the chief operating fund of the City of Murphy. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$10,978,229. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 72% of total General Fund expenditures. The increase in fund balance of the General Fund in the amount of \$1,554,347 was due to increases in property and sales taxes, as well as a \$925,000 transfer from the water and sewer fund. The property tax increase relates to increased property valuations coupled with no change to the tax rate. Sales taxes increased due to sales activity continuing to rebound from pandemic impacts

At September 30, 2022, the governmental funds of the City of Murphy reported a combined fund balance of \$19,125,600, a \$2,714,330 increase from last year primarily increased due to increased property and sales taxes and issuance of tax notes in the capital projects fund. The City reported total restricted fund balance of \$8,105,639 as of September 30, 2022, of which \$7,273,465 is for capital improvements.

At September 30, 2022, the debt service fund, a major governmental fund, had a total fund balance of \$756,893 which is restricted for the payment of debt. A decrease of \$2,555 in fund balance during the current due to principal retirement and related interest exceeding current year revenue.

During fiscal year 2022, the capital projects fund, a major fund, had an increase in fund balance of \$1,162,538. The increase is due to the issuance of tax notes of \$3.05 million offset by capital outlay of \$2.45 million.

On March 11, 2021, the President signed into law the American Recovery Plan (ARP) Act. The Plan established the Federal Coronavirus State and Local Fiscal Recovery Fund (FCSLFRF) for economic relief for state and local governments. Murphy's share of the fund was \$5,079,612.

Funds received from the grant may be used in one of four ways: 1) To respond to the public health emergency or the negative economic impact of the pandemic; 2) To respond to workers performing essential work during the pandemic; 3) For the provision of government services to the extent of revenue reduction during the pandemic; and 4) To make necessary investments in water, sewer, or broadband infrastructure. Council approved to use these funds for a water line loop project, which is an eligible project of the grant funds under item 3) listed above for the provision of government services to the extent of revenue reduction.

On August 24, 2021, the City received its first tranche of the American Rescue Plan Funds in the amount of \$2,539,806. The City received an unexpected tranche of \$5,109 on March 17, 2022 resulting from Texas entities that declined funding. The second tranche of \$2,544,825 included an additional \$5,019 and was received on September 26, 2022. The combined total of ARP funds received through September 30, 2022 was \$5,089,740.

General Fund Budgetary Highlights: During Fiscal Year 2022, the City's General Fund budget was revised, increasing appropriations from the original budget by \$612,546. Appropriations were increased by \$14,122 for outstanding encumbrances at year-end, along with other needs including \$313,500 for two back-up electricity generators, \$69,000 for I/T servers, and \$196,165 related to unanticipated operating costs. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Overall, General Fund revenues were \$1,201,778 more than the budgeted amounts. Expenditures were \$1,370,251 less than budgeted amounts across all departments within the General Fund.

Proprietary Funds – The City of Murphy’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Proprietary Funds at the end of the fiscal year amounted to \$9,735,650 and \$29,415,877 was invested in net capital assets less related debt. \$755,634 was restricted for use of impact fees. Overall, Water and Sewer Fund net position increased by \$2,306,305, primarily due to operating revenues exceeding operating expenses by \$3,001,777 and transfers out of \$925,000. Net position in the Storm Water Fund increased by \$284,564, as operating revenues exceeded operating expenses by \$136,382 due to increased consumption and a transfer in of \$148,321. Other factors concerning the finances of these funds have already been addressed in the discussion of the City business-type activities.

Capital assets – The City of Murphy’s investment in capital assets for its governmental and business-type activities as of September 30, 2022, totaled \$129,618,691 (net of accumulated depreciation). This investment in capital assets includes buildings, roads and bridges, land, park facilities, machinery and equipment and water infrastructure.

Major capital asset events during the current fiscal year included the following:

- Completion of N. Maxwell Creek Road 8" Water Line
- Completion of S. Murphy Road Asbestos Cement Water Line replacement
- Completion of Windy Hill Farm Lift Station – Jib Crane and Hoist Project
- Started the Water Meter System project of installing new meters and upgrading software
- Completion of N. Maxwell Road Stormwater drainage construction
- Completion of N. Maxwell Creek Road Improvements
- Completion of Timber Addition Drainage
- Completion of North Hill Park Phase III project
- Completion of Travis Farm Park Phase II project
- Completion of S. Maxwell Creek Road and Kinney Road rehabilitation project
- Completion of City-wide Sidewalk Improvement project
- Purchased 2023 Mack Dump Truck
- Purchased 2021 John Deere Backhoe

Table 3
Capital Assets at Year-end

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and improvements	\$ 10,107,053	\$ 10,107,053	\$ -	\$ -	\$ 10,107,053	\$ 10,107,053
Construction in progress	214,220	7,457,677	3,111,089	1,113,667	3,325,309	8,571,344
Buildings and improvements	29,771,635	29,771,635	-	-	29,771,635	29,771,635
Infrastructure	86,896,649	76,774,477	53,890,078	52,334,037	140,786,727	129,108,514
Machinery and equipment	12,882,477	12,614,542	2,168,934	1,825,066	15,051,411	14,439,608
Accumulated depreciation	(50,223,874)	(46,373,706)	(19,199,570)	(17,905,712)	(69,423,444)	(64,279,418)
Total	\$ 89,648,160	\$ 90,351,678	\$ 39,970,531	\$ 37,367,058	\$ 129,618,691	\$ 127,718,736

Detailed information about the City’s capital assets is presented in Note 5 to the financial statements.

Long-Term Liabilities

As of September 30, 2022, total long-term liabilities for the City was \$50,998,010.

Table 4

	Outstanding Debt and Other Long-Term Liabilities					
	Governmental activities		Business-type activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Bonded debt:						
General obligation and certificates of obligation	\$ 28,770,000	\$ 32,170,000	\$ 9,950,000	\$ 10,705,000	\$ 38,720,000	\$ 42,875,000
Tax notes	4,995,000	2,575,000	2,425,000	-	7,420,000	2,575,000
Total bonded debt	33,765,000	34,745,000	12,375,000	10,705,000	46,140,000	45,450,000
Other long-term liabilities:						
Unamortized premiums	1,956,335	2,261,196	533,675	595,565	2,490,010	2,856,761
Net pension liability	964,802	2,280,600	110,129	281,008	1,074,931	2,561,608
Total OPEB liability	359,687	309,710	41,057	38,161	400,744	347,871
Compensated absences	505,832	458,134	33,619	34,446	539,451	492,580
Financed purchases	342,874	338,391	-	-	342,874	338,391
Total other long-term liabilities	4,129,530	5,648,031	718,480	949,180	4,848,010	6,597,211
Total	\$ 37,894,530	\$ 40,393,031	\$ 13,093,480	\$ 11,654,180	\$ 50,988,010	\$ 52,047,211

The City of Murphy's long-term debt decreased by \$1,059,201, or 2% during the past fiscal year. The decrease was primarily due to the net effect of the scheduled payments on bonds, certificates of obligation and tax notes by the City.

More detailed information about the City's long-term liabilities is presented in Note 7 to the financial statements.

Texas statutes limit the amount of bonds a governmental entity may issue up to 10% of the assessed calculation of taxable property to the most recent ad valorem tax roll. The current debt limitation for the City is \$309,025,000 which is significantly in excess of the outstanding general obligation debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The FY23 overall ad valorem tax rate of \$0.465 per \$100 of assessed valuation, which is a decrease in the tax rate after three years of the same rate (FY20-FY22) and decreases for five years prior to that (FY15-FY19). The FY23 adopted budget reflects a decrease of 6.32% in the maintenance and operations (M&O) tax rate from \$0.310185 to \$0.2900594 per \$100 of assessed valuation. The tax rate for the interest and sinking fund (I&S) portion decreased by \$0.010409 due to the issuance of refunding bonds in FY21, resulting in a savings of \$1.9 million. Due to a 12.14% increase in property values the FY23 budget will raise more total property taxes than last year's budget by \$720,730, or 5.33%.

The City continues to see growth in sales tax collections, which seems to be driven by two factors. The first is a legislative change that became effective in 2019 that requires sales tax collections to be remitted to the taxing authorities based on a point-of-destination versus point-of-origin of the transaction. The second influencer is an increasing use of online purchasing, especially by Murphy residents. In FY23, the City increased its sales tax projections and anticipates meeting its sales tax revenue budget, which is 19% of total General Fund revenue.

The main source of revenue for the Utility Fund are water and sewer fees from residential and commercial customers. Revenue from the sale of water is budgeted at \$8.8 million for FY23, which is a 9.5% increase compared to the prior year's budget. Sewer revenue is budgeted at \$4.0 million for FY23, a 1.8% increase over the prior year budget. The water and sewer rates increased due to a 13% increase in the cost of wholesale water from the North Texas Municipal Water District (NTMWD) and an increase in the maximum gallons consumed under the take-or-pay contract. The budget also reflects the City's costs to maintain, operate, and make capital improvements to the utility system. The new rates became effective on October 1, 2022.

REQUEST FOR INFORMATION

This report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the City of Murphy, Finance Department, 206 N. Murphy Road, Murphy, Texas 75094.

Basic Financial Statements

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City of Murphy, Texas
Statement of Net Position
September 30, 2022

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 23,930,185	\$ 9,587,157	\$ 33,517,342	\$ 6,263,829
Receivables (Net of allowance for uncollectibles)	1,000,071	1,857,376	2,857,447	364,282
Restricted cash and cash equivalents	79,176	3,132,188	3,211,364	-
Prepaid items	-	2,293	2,293	-
Capital assets not being depreciated				
Land	10,107,053	-	10,107,053	-
Construction in progress	214,220	3,111,089	3,325,309	-
Capital assets subject to depreciation				
Infrastructure	86,896,649	53,890,078	140,786,727	-
Buildings and improvements	29,771,635	-	29,771,635	-
Machinery and equipment	12,882,477	2,168,934	15,051,411	-
Accumulated depreciation	(50,223,874)	(19,199,570)	(69,423,444)	-
TOTAL ASSETS	114,657,592	54,549,545	169,207,137	6,628,111
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	998,249	128,582	1,126,831	-
Deferred outflows related to OPEB	110,839	13,549	124,388	-
Deferred charge on refunding	74,872	-	74,872	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,183,960	142,131	1,326,091	-
LIABILITIES				
Accounts payable	624,676	913,057	1,537,733	98,829
Accrued liabilities	149,342	7,168	156,510	20,608
Due to other governments	3,698	-	3,698	-
Other liabilities	26,154	-	26,154	9
Unearned revenues	4,944,901	214	4,945,115	-
Customer deposits	6,776	493,375	500,151	-
Accrued interest payable	140,622	51,070	191,692	-
Noncurrent liabilities:				
Due within one year	4,544,196	1,103,531	5,647,727	-
Due in more than one year	33,350,334	11,989,949	45,340,283	-
TOTAL LIABILITIES	43,790,699	14,558,364	58,349,063	119,446
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	194,173	16,349	210,522	-
Deferred inflows - pension	1,537,430	204,093	1,741,523	-
Deferred inflows - OPEB	24,718	5,709	30,427	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,756,321	226,151	1,982,472	-
NET POSITION				
Net investment in capital assets	60,541,429	29,415,877	89,957,306	-
Restricted:				
Debt service	651,244	-	651,244	-
Use of impact fees	-	755,634	755,634	-
Court use	36,381	-	36,381	-
Capital improvements	196,686	-	196,686	-
Animal shelter	11,804	-	11,804	-
PEG fees	27,096	-	27,096	-
Unrestricted	8,829,892	9,735,650	18,565,542	6,508,665
TOTAL NET POSITION	\$ 70,294,532	\$ 39,907,161	\$ 110,201,693	\$ 6,508,665

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

City of Murphy, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2022

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Functions/Programs:				
Governmental activities:				
General government	\$ 5,643,889	\$ 41,351	\$ 143,474	\$ 406,556
Public safety	7,428,012	752,706	24,179	-
Public services and operations	888,816	506,529	12,479	-
Parks and recreation	2,286,758	116,319	552,034	-
Public works	1,249,128	-	-	-
Sanitation services	1,053,989	1,285,224	-	-
Interest on long-term debt	788,355	-	-	-
Total governmental activities	19,338,947	2,702,129	732,166	406,556
Business-type activities:				
Water and sewer	10,316,565	12,894,717	-	364,584
Storm water	190,335	326,717	-	148,321
Total business-type activities	10,506,900	13,221,434	-	512,905
Total primary government	\$ 29,845,847	\$ 15,923,563	\$ 732,166	\$ 919,461
Component units:				
Governmental Activities:				
Community Development Corporation	\$ 809,927	\$ 32,243	\$ -	\$ -
Municipal Development District	383,818	-	-	-
Total component units	\$ 1,193,745	\$ 32,243	\$ -	\$ -

General revenues:

Property taxes
Sales taxes
Franchise taxes
Investment income
Contributions
Miscellaneous

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	Component Units
\$ (5,052,508)	\$ -	\$ (5,052,508)	\$ -
(6,651,127)	-	(6,651,127)	-
(369,808)	-	(369,808)	-
(1,618,405)	-	(1,618,405)	-
(1,249,128)	-	(1,249,128)	-
231,235	-	231,235	-
(788,355)	-	(788,355)	-
(15,498,096)	-	(15,498,096)	-
-	2,942,736	2,942,736	-
-	284,703	284,703	-
-	3,227,439	3,227,439	-
<u>\$ (15,498,096)</u>	<u>\$ 3,227,439</u>	<u>\$ (12,270,657)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (777,684)
-	-	-	(383,818)
-	-	-	(1,161,502)
13,546,208	-	13,546,208	-
3,612,244	-	3,612,244	2,134,680
965,968	-	965,968	-
121,473	51,212	172,685	6,157
-	-	-	1,436
151,650	100,610	252,260	-
788,392	(788,392)	-	-
19,185,935	(636,570)	18,549,365	2,142,273
3,687,839	2,590,869	6,278,708	980,771
66,606,693	37,316,292	103,922,985	5,527,894
<u>\$ 70,294,532</u>	<u>\$ 39,907,161</u>	<u>\$ 110,201,693</u>	<u>\$ 6,508,665</u>

City of Murphy, Texas

Balance Sheet

Governmental Funds

September 30, 2022

	General Fund	Debt Service	Capital Projects	ARP Act Fund	Total
ASSETS					
Cash and cash equivalents	\$ 10,900,302	\$ 756,776	\$ 7,289,101	\$ 4,984,006	\$ 23,930,185
Receivables, net of allowance	843,123	35,090	121,858	-	1,000,071
Due from other funds	-	-	-	720	720
Restricted cash and cash equivalents	79,176	-	-	-	79,176
Total assets	\$ 11,822,601	\$ 791,866	\$ 7,410,959	\$ 4,984,726	\$ 25,010,152
LIABILITIES					
Accounts payable	\$ 449,878	\$ -	\$ 134,973	\$ 39,825	\$ 624,676
Accrued liabilities	149,342	-	-	-	149,342
Due to other governments	3,698	-	-	-	3,698
Due to other funds	720	-	-	-	720
Customer deposits	6,776	-	-	-	6,776
Unearned revenue	-	-	-	4,944,901	4,944,901
Other liabilities	23,633	-	2,521	-	26,154
Total liabilities	634,047	-	137,494	4,984,726	5,756,267
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	58,577	34,973	-	-	93,550
Unavailable revenue - ambulance fees	27,064	-	-	-	27,064
Unavailable revenue - municipal fines	7,671	-	-	-	7,671
Total deferred inflows of resources	93,312	34,973	-	-	128,285
FUND BALANCES					
Restricted:					
Debt service	-	756,893	-	-	756,893
Animal shelter	11,804	-	-	-	11,804
Municipal court	36,381	-	-	-	36,381
PEG fees	27,096	-	-	-	27,096
Capital improvements	-	-	7,273,465	-	7,273,465
Assigned:					
Police	41,732	-	-	-	41,732
Unassigned	10,978,229	-	-	-	10,978,229
Total fund balances	11,095,242	756,893	7,273,465	-	19,125,600
Total liabilities, deferred inflows of resources and fund balances	\$ 11,822,601	\$ 791,866	\$ 7,410,959	\$ 4,984,726	\$ 25,010,152

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

City of Murphy, Texas

Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
September 30, 2022

Total governmental fund balances	\$ 19,125,600
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	89,648,160
Bonds payable and tax notes are not due and payable in the current period and therefore are not reported in the fund financial statements.	(33,765,000)
Premiums on issuance of debt are not recognized on the balance sheet for governmental funds.	(1,956,335)
Financed purchases are not due and payable in the current period and therefore are not reported in the fund financial statements.	(342,874)
For debt refunding, the difference between the acquisition price and the net carrying value amount of the debt has been deferred and amortized in the government-wide financial statements. This is the net effect of deferred gains (\$194,173) and charges, \$74,872, on refunding.	(119,301)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due.	(140,622)
Accrued liabilities for compensated absences are not reflected in the fund financial statements.	(505,832)
The net effect of deferred outflows, \$1,109,088, and deferred inflows (\$1,562,148) of resources related to the City's net pension and total other postemployment benefits (OPEB) liabilities decreases net position in the government-wide financial statements.	(453,060)
The City's net pension liability, \$964,802, and total OPEB liability, \$359,687, are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	(1,324,489)
Unavailable revenue reported as a deferred inflow of resources in the governmental fund financial statements is recorded as revenue in the government-wide financial statements.	128,285
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 70,294,532</u></u>

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

City of Murphy, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Fiscal Year Ended September 30, 2022

	General Fund	Debt Service	Capital Projects	ARP Act Fund	Total
Revenues:					
Property tax	\$ 8,487,470	\$ 5,044,649	\$ -	\$ -	\$ 13,532,119
Franchise taxes	965,968	-	-	-	965,968
Fines and forfeitures	344,652	-	-	-	344,652
Sales tax	2,899,304	-	712,940	-	3,612,244
Charges for services	1,922,648	-	-	-	1,922,648
Licenses and permits	383,233	-	-	-	383,233
Intergovernmental	552,034	-	-	143,396	695,430
Donations	12,479	-	-	-	12,479
Investment income	87,919	1,655	31,899	-	121,473
Miscellaneous	202,976	6,325	-	-	209,301
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	15,858,683	5,052,629	744,839	143,396	21,799,547
Expenditures:					
Current operating:					
General government	4,608,772	-	143,012	6,649	4,758,433
Public safety	6,783,992	-	-	-	6,783,992
Public works	235,300	-	-	-	235,300
Public services and operations	810,333	-	-	-	810,333
Parks and recreation	1,725,244	-	-	-	1,725,244
Sanitation services	1,053,989	-	-	-	1,053,989
Debt service:					
Principal retirement	116,067	4,030,000	-	-	4,146,067
Interest and fiscal agent fees	16,189	1,025,184	-	-	1,041,373
Debt issuance costs	-	-	41,329	-	41,329
Capital outlay	-	-	2,448,099	-	2,448,099
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	15,349,886	5,055,184	2,632,440	6,649	23,044,159
Excess (deficiency) of revenues over (under) expenditures	508,797	(2,555)	(1,887,601)	136,747	(1,244,612)
Other financing sources (uses):					
Transfers in	925,000	-	139	-	925,139
Transfers out	-	-	-	(136,747)	(136,747)
Financed purchases issuance	120,550	-	-	-	120,550
Tax notes issued	-	-	3,050,000	-	3,050,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	1,045,550	-	3,050,139	(136,747)	3,958,942
Net change in fund balances	1,554,347	(2,555)	1,162,538	-	2,714,330
Fund balance, beginning of year	9,540,895	759,448	6,110,927	-	16,411,270
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	\$ 11,095,242	\$ 756,893	\$ 7,273,465	\$ -	\$ 19,125,600

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

City of Murphy, Texas

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to Statement of Activities
For the Fiscal Year Ended September 30, 2022

Net change in fund balances - total governmental funds	\$ 2,714,330
Amounts reported for governmental activities in the statement of activities are different because:	
Current year capital outlays are expenditures in the fund financial statements, but these are shown as an increase in capital assets in the government-wide financial statements.	3,339,498
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's depreciation is to decrease net position.	(4,042,159)
In governmental fund financial statements, the proceeds from the sale of are shown as an increase in financial resources. However, in the statement of activities, the gain or loss is calculated and reported.	(857)
Current year long-term debt principal and financed purchase payments are expenditures in the fund financial statements and are shown as a reduction of long term debt in the government-wide financial statements.	4,146,067
The issuance of long-term debt provides current resources to governmental funds. However, in the government-wide financial statements it reduces net position.	(3,050,000)
The issuance of financed purchases provides current resources to governmental funds. However, in the government-wide financial statements it reduces net position.	(120,550)
Premiums are recognized in the fund financial statements as other financing sources or uses, but these are amortized over the term of the bonds in the government-wide financial statements. This amount is the amortization of premiums.	304,861
Current deferred gain on refunding amortization of decreases net position in the government-wide financial statements.	25,190
Current year amortization of deferred charges on refundings decreases net position in the government-wide financial statements.	(37,436)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, the change is not reported in the governmental funds.	1,732
Changes to compensated absences liabilities are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.	(47,698)
Certain pension items are not recorded as current year inflows or outflows in the government-wide financial statements and are, instead, recorded as deferred resource outflows or inflows. This item relates to contributions made after the measurement date. Additionally, a portion of the City's unrecognized deferred resource outflows related to the pension liability were amortized.	463,668
Certain OPEB expenditures are not recorded as current year inflows or outflows in the government-wide financial statements and are, instead, recorded as deferred resource outflows or inflows. This item relates to contributions made after the measurement date. Additionally, a portion of the City's unrecognized deferred resource outflows related to the OPEB liability were amortized.	(41,098)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements.	32,291
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 3,687,839

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

City of Murphy, Texas

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

For the Fiscal Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property tax	\$ 8,503,940	\$ 8,503,940	\$ 8,487,470	\$ (16,470)
Franchise taxes	932,192	904,192	965,968	61,776
Fines and forfeitures	224,630	175,370	344,652	169,282
Sales tax	2,304,228	2,304,228	2,899,304	595,076
Charges for services	1,839,108	1,839,108	1,922,648	83,540
Licenses and permits	259,854	259,854	383,233	123,379
Intergovernmental	552,034	552,034	552,034	-
Donations	-	12,089	12,479	390
Investment income	41,858	41,858	87,919	46,061
Miscellaneous	54,981	64,232	202,976	138,744
	<u>14,712,825</u>	<u>14,656,905</u>	<u>15,858,683</u>	<u>1,201,778</u>
EXPENDITURES				
General government				
City Administration	390,828	390,828	519,208	(128,380)
Human Resources	393,565	393,565	388,753	4,812
Information Technology	1,287,943	1,224,687	1,317,477	(92,790)
City Council	294,294	295,544	230,566	64,978
City Secretary	164,618	164,618	168,330	(3,712)
Finance	730,032	795,312	777,942	17,370
Facilities	884,625	1,207,910	872,291	335,619
Municipal Court	376,552	375,023	334,205	40,818
	<u>4,522,457</u>	<u>4,847,487</u>	<u>4,608,772</u>	<u>238,715</u>
TOTAL GENERAL GOVERNMENT				
Public Safety				
Fire Department	3,187,227	3,229,639	2,997,540	232,099
Police Department	4,259,802	4,308,357	3,786,452	521,905
	<u>7,447,029</u>	<u>7,537,996</u>	<u>6,783,992</u>	<u>754,004</u>
TOTAL PUBLIC SAFETY				
Public Works				
Public works department	278,340	337,290	235,300	101,990
	<u>278,340</u>	<u>337,290</u>	<u>235,300</u>	<u>101,990</u>
TOTAL PUBLIC WORKS				
Public Services and Operations				
Community Services	648,702	648,702	630,529	18,173
Animal Control	193,378	193,378	179,804	13,574
	<u>842,080</u>	<u>842,080</u>	<u>810,333</u>	<u>31,747</u>
TOTAL PUBLIC SERVICES AND OPERATIONS				

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

City of Murphy, Texas

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual -- Continued

For the Fiscal Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Parks and Recreation:				
Parks	\$ 1,368,634	\$ 1,373,977	\$ 1,258,963	\$ 115,014
Recreation	541,305	541,305	466,281	75,024
TOTAL PARKS AND RECREATION	<u>1,909,939</u>	<u>1,915,282</u>	<u>1,725,244</u>	<u>190,038</u>
Sanitation Services				
Other services	1,054,895	1,054,895	1,053,989	906
TOTAL SANITATION SERVICES	<u>1,054,895</u>	<u>1,054,895</u>	<u>1,053,989</u>	<u>906</u>
Debt Service				
Principal retirement	-	116,067	116,067	-
Interest and fiscal agent fees	-	16,189	16,189	-
TOTAL DEBT SERVICE	<u>-</u>	<u>132,256</u>	<u>132,256</u>	<u>-</u>
Total expenditures	<u>16,054,740</u>	<u>16,667,286</u>	<u>15,349,886</u>	<u>1,317,400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,341,915)</u>	<u>(2,010,381)</u>	<u>508,797</u>	<u>2,519,178</u>
Other financing sources:				
Transfers in	925,000	925,000	925,000	-
Finance purchase proceeds	-	-	120,550	120,550
Total other financing sources	<u>925,000</u>	<u>925,000</u>	<u>1,045,550</u>	<u>120,550</u>
NET CHANGE IN FUND BALANCES	<u>(416,915)</u>	<u>(1,085,381)</u>	<u>1,554,347</u>	<u>2,639,728</u>
FUND BALANCES, beginning of year	<u>9,540,895</u>	<u>9,540,895</u>	<u>9,540,895</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 9,123,980</u>	<u>\$ 8,455,514</u>	<u>\$ 11,095,242</u>	<u>\$ 2,639,728</u>

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

City of Murphy, Texas
Statement of Net Position
Proprietary Funds
September 30, 2022

	Water and Sewer	Storm Water	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 9,300,855	\$ 286,302	\$ 9,587,157
Receivables, net	1,825,020	32,356	1,857,376
Prepaid items	2,293	-	2,293
Restricted cash and investments	3,132,188	-	3,132,188
Total current assets	<u>14,260,356</u>	<u>318,658</u>	<u>14,579,014</u>
Noncurrent assets:			
Capital assets:			
Infrastructure	52,396,266	1,493,812	53,890,078
Vehicles, machinery and equipment	1,854,949	313,985	2,168,934
Construction in progress	3,111,089	-	3,111,089
Less: accumulated depreciation	(19,080,272)	(119,298)	(19,199,570)
Total noncurrent assets	<u>38,282,032</u>	<u>1,688,499</u>	<u>39,970,531</u>
Total assets	<u>52,542,388</u>	<u>2,007,157</u>	<u>54,549,545</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	114,673	13,909	128,582
Deferred outflows related to OPEB	12,055	1,494	13,549
Total deferred outflows of resources	<u>126,728</u>	<u>15,403</u>	<u>142,131</u>
Total assets and deferred outflows of resources	<u>52,669,116</u>	<u>2,022,560</u>	<u>54,691,676</u>
LIABILITIES			
Current liabilities:			
Accounts payable	907,328	5,729	913,057
Accrued liabilities	-	7,168	7,168
Unearned revenues	214	-	214
Payables from restricted assets:			
Customer deposits	493,375	-	493,375
Accrued interest payable	51,070	-	51,070
Compensated absences - current	3,498	33	3,531
Bonds and notes payable - current	1,100,000	-	1,100,000
Total current liabilities	<u>2,555,485</u>	<u>12,930</u>	<u>2,568,415</u>
Non-current liabilities:			
Compensated absences	29,789	299	30,088
Net pension liability	101,642	8,487	110,129
Total OPEB liability	37,893	3,164	41,057
Bonds and notes payable	11,808,675	-	11,808,675
Total noncurrent liabilities	<u>11,977,999</u>	<u>11,950</u>	<u>11,989,949</u>
Total liabilities	<u>14,533,484</u>	<u>24,880</u>	<u>14,558,364</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	16,349	-	16,349
Deferred inflows related to pensions	187,382	16,711	204,093
Deferred inflows related to OPEB	5,299	410	5,709
Total deferred inflows of resources	<u>209,030</u>	<u>17,121</u>	<u>226,151</u>
NET POSITION			
Net investment in capital assets	27,727,378	1,688,499	29,415,877
Restricted for:			
Impact fees	755,634	-	755,634
Unrestricted	9,443,590	292,060	9,735,650
Total net position	<u>37,926,602</u>	<u>1,980,559</u>	<u>39,907,161</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 52,669,116</u>	<u>\$ 2,022,560</u>	<u>\$ 54,691,676</u>

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

City of Murphy, Texas

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Fiscal Year Ended September 30, 2022

	Water and Sewer	Storm Water	Total
Operating revenues:			
Charges for sales and services			
Service charges	\$ 12,894,717	\$ 326,717	13,221,434
Miscellaneous	100,610	-	100,610
Total operating revenues	<u>12,995,327</u>	<u>326,717</u>	<u>13,322,044</u>
Operating expenses:			
Personnel services	974,974	83,732	1,058,706
Supplies and material	147,493	5,832	153,325
Other services	569	-	569
Maintenance and repair	88,112	10,545	98,657
Contractual services	7,482,477	36,836	7,519,313
Depreciation	1,299,925	53,390	1,353,315
Total operating expenses	<u>9,993,550</u>	<u>190,335</u>	<u>10,183,885</u>
Operating income	<u>3,001,777</u>	<u>136,382</u>	<u>3,138,159</u>
Non-operating revenues (expenses):			
Investment earnings	51,212	-	51,212
Interest expense	(323,015)	-	(323,015)
Total non-operating revenue (expenses)	<u>(271,803)</u>	<u>-</u>	<u>(271,803)</u>
Income before contributions and transfers	<u>2,729,974</u>	<u>136,382</u>	<u>2,866,356</u>
Contributions and Transfers			
Capital contributions	364,584	148,321	512,905
Transfers in	136,747	-	136,747
Transfers out	(925,000)	(139)	(925,139)
Total contributions and transfers (net)	<u>(423,669)</u>	<u>148,182</u>	<u>(275,487)</u>
Change in net position	2,306,305	284,564	2,590,869
TOTAL NET POSITION, beginning of year	<u>35,620,297</u>	<u>1,695,995</u>	<u>37,316,292</u>
TOTAL NET POSITION, end of year	<u>\$ 37,926,602</u>	<u>\$ 1,980,559</u>	<u>\$ 39,907,161</u>

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

City of Murphy, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2022

	Water and Sewer	Storm Water	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 13,296,266	\$ 326,676	\$ 13,622,942
Cash paid to employees	(1,028,398)	(85,608)	(1,114,006)
Cash paid for goods and services	(7,461,675)	(85,089)	(7,546,764)
Net cash provided by operating activities	4,806,193	155,979	4,962,172
Cash flows from non-capital financing activities:			
Transfers from other funds	136,747	-	136,747
Transfers to other funds	(925,000)	(139)	(925,139)
Net cash used in non-capital financing activities	(788,253)	(139)	(788,392)
Cash flows from capital and related financing activities:			
Proceeds from long-term debt	2,425,000	-	2,425,000
Interest and fiscal charges	(387,322)	-	(387,322)
Principal payments on bonds payables	(755,000)	-	(755,000)
Acquisition or construction of capital assets	(3,262,148)	(181,755)	(3,443,903)
Net cash used in capital and related financing activities	(1,979,470)	(181,755)	(2,161,225)
Cash flows from investing activities:			
Investment earnings	51,212	-	51,212
Net cash provided by investing activities	51,212	-	51,212
Net increase (decrease) in cash and cash equivalents	2,089,682	(25,915)	2,063,767
Cash and cash equivalents, beginning of year	10,343,361	312,217	10,655,578
Cash and cash equivalents, end of the year	\$ 12,433,043	\$ 286,302	\$ 12,719,345

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

City of Murphy, Texas
Statement of Cash Flows – Continued
Proprietary Funds
For the Fiscal Year Ended September 30, 2022

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ 3,001,777	\$ 136,382	\$ 3,138,159
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Adjustments to reconcile operating income to net cash provided by operating activities:

Depreciation	1,299,925	53,390	1,353,315
Change in assets and liabilities			
Other assets	(2,293)	-	(2,293)
Receivables	290,516	(40)	290,476
Accounts payable and accrued liabilities	259,269	(31,877)	227,392
Interfund payables	650	-	650
Customer deposits	9,773	-	9,773
Compensated absences	(1,159)	332	(827)
Deferred inflows and outflows - net pension liability and total OPEB liability	(52,265)	(2,208)	(54,473)

Net cash provided by operating activities

<u>\$ 4,806,193</u>	<u>\$ 155,979</u>	<u>\$ 4,962,172</u>
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Non-cash investing activities:

Contributions of capital assets	<u>\$ 364,584</u>	<u>\$ 148,321</u>	<u>\$ 512,905</u>
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City of Murphy, Texas

Discretely Presented Component Units
Combining Statement of Net Position
September 30, 2022

	Community Development Corporation	Municipal Development District	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,418,690	\$ 3,845,139	\$ 6,263,829
Receivables (net of allowance for uncollectibles)	243,715	120,567	364,282
Total assets	<u>2,662,405</u>	<u>3,965,706</u>	<u>6,628,111</u>
LIABILITIES			
Current liabilities:			
Accounts payable	76,565	22,264	98,829
Accrued liabilities	20,608	-	20,608
Other liabilities	9	-	9
Total liabilities	<u>97,182</u>	<u>22,264</u>	<u>119,446</u>
NET POSITION			
Unrestricted	<u>2,565,223</u>	<u>3,943,442</u>	<u>6,508,665</u>
Total Net Position	<u>\$ 2,565,223</u>	<u>\$ 3,943,442</u>	<u>\$ 6,508,665</u>

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

City of Murphy, Texas

Discretely Presented Component Units

Combining Statement of Activities

For the Fiscal Year Ended September 30, 2022

	Expenses	Charges for Services	Program Revenues		Component Units		Total
			Operating Grants and Contributions	Capital Grants and Contributions	Community Development Corporation	Municipal Development District	
Governmental Activities							
Community Development Corporation	\$ 809,927	\$ 32,243	\$ -	\$ -	\$ (777,684)	\$ -	\$ (777,684)
Municipal Development District	383,818	-	-	-	-	(383,818)	(383,818)
Total component units	<u>\$ 1,193,745</u>	<u>\$ 32,243</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (777,684)</u>	<u>\$ (383,818)</u>	<u>\$ (1,161,502)</u>
General Revenues							
Sales taxes					\$ 1,425,880	\$ 708,800	\$ 2,134,680
Investment income					2,023	4,134	6,157
Contributions					1,436	-	1,436
Total general revenues					<u>1,429,339</u>	<u>712,934</u>	<u>2,142,273</u>
Change in net position					651,655	329,116	980,771
Net position - beginning of year					<u>1,913,568</u>	<u>3,614,326</u>	<u>5,527,894</u>
Net position - end of year					<u>\$ 2,565,223</u>	<u>\$ 3,943,442</u>	<u>\$ 6,508,665</u>

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

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City of Murphy, Texas

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Murphy, Texas ("City") is a municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1959, and first adopted its Home Rule Charter in February, 2004. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Council members. The City provides the following services as authorized by its charter: public safety, public works, water and sanitary sewer utilities, culture-recreation, planning and zoning, and general administrative services.

The more significant accounting policies of the City are described below.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support, likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities on the statement of net position and statement of activities. Significantly, the City's statement of net position includes both noncurrent assets and noncurrent liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

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

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

Component units are organizations for which the City is financially accountable and all other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government.

City of Murphy, Texas

Notes to the Basic Financial Statements

Discretely Presented Component Units: The City has two component units, the Murphy Community Development Corporation ("CDC") and the Murphy Municipal Development District ("MDD"). The CDC was incorporated July 29, 2003, and the MDD was incorporated April 16, 2012. The CDC is governed by a seven-member board and the MDD is governed by a five member board, both appointed and serving at the pleasure of the City Council. The funding for the CDC and MDD occurs by the City transferring one-half of one (1) percent of sales tax revenue collected by the City respectively to each corporation. Adding the creation of the CDC and MDD to the resources currently available significantly increases the City's ability to assist community development and financing development projects beneficial to the City. All of the CDC and MDD funding can be used for direct assistance to prospects and continued development of infrastructure. The nature and significance of the relationship between the primary government and the organization is such that exclusion would cause the City's financial statements to be misleading or incomplete. Separate financial statements are not issued for the CDC or the MDD.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

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

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Police, Fire, Public Works, etc.) or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, b) grants and contributions that are restricted to meeting the operational requirements of a particular function or program, c) grants and contributions that are restricted to meeting the capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues. The net cost (by function or business-type activity) is normally covered by general revenue (property and sales taxes, franchise fees, and interest income).

Fund Financial Statements: The fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund, capital projects fund, and ARP Act fund. The City does not have any non-major funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting that definition are reported as non-operating revenues and expenses.

City of Murphy, Texas

Notes to the Basic Financial Statements

Government-wide and Proprietary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, grant revenue is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on individual major funds of the governmental and proprietary categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Adoption of New Accounting Standards- GASB 87 (Leases)

During fiscal year 2022, the City adopted GASB Statement No. 87, *Leases (GASB 87)*, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Implementation of GASB 87 resulted in no impact to the City's beginning fund balance/net position.

2. Measurement Focus, Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year-end.

Ad valorem, franchise and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fine and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met.

City of Murphy, Texas

Notes to the Basic Financial Statements

The City reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreements to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvements costs that are not paid through other funds are paid from the General Fund.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term obligation debt paid from taxes levied by the City.

The *Capital Projects Fund* accounts for the acquisition and construction of major capital facilities being financed from general obligation or certificate of obligation bond proceeds.

The *ARP Act Fund* is a capital project fund that accounts for the grant activity related to ARP Act funding related to Covid-19 response.

Proprietary funds are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities and deferred inflows and outflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position. Proprietary funds distinguish operating revenues and expenses from nonoperation items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principal operating revenues of the City's water and sewer services are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. The revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major enterprise funds:

The *Water and Sewer Fund* accounts for the operations of the water and sanitary sewer utilities which are self-supporting activities rendering services on a user-charge basis. Water and sewer impact fees are also accumulated in this fund. The *Storm Water Fund* accounts for the operations of the storm water drainage activities rendering services on a user-charge basis.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

The City maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end.

Investments for the City are reported at fair value, except for the position in investment pools. The City's investments in pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

City of Murphy, Texas

Notes to the Basic Financial Statements

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

- Obligations of the United States or its agencies and instruments;
- Obligations of State of Texas or its agencies and instrumentalities; and
- Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities.

b. Receivable and Payable Balances

The City believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation.

Trade and property tax receivables are shown net of an allowance for uncollectibles.

c. Property Taxes

Property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Assessed value represents the appraisal value less applicable exemptions authorized by the City Council. The Appraisal Board of Review establishes appraised values at 100% for estimated market value. A tax lien attaches to the property on January 1 of each year to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on that property, whether or not the taxes are imposed in the year the lien attaches.

Taxes are due October 1 immediately following the levy date and are delinquent after the following January 31. Revenues are recognized as the related ad valorem taxes are collected. Additional delinquent property taxes estimated to be collectible within 60 days following the close of the fiscal year have been recognized as revenue at the fund level.

In Texas, county-wide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, take legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective tax rate, including tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

The statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution applicable to cities with a population greater than 5,000 limits the ad valorem tax rate to \$2.50 per \$100 assessed valuation. For the fiscal year September 30, 2022, the City had a tax rate of \$0.495 per \$100 assessed valuation based upon the maximum rates described above.

d. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method.

City of Murphy, Texas

Notes to the Basic Financial Statements

e. *Restricted Assets*

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the business-type funds represent cash and cash equivalents and investments set aside for impact fees, specific capital additions and various bond covenants.

Impact fees are the capital recovery fees that are, by law, restricted to the projects these funds may be used to support.

Customer deposits received for water and sewer service are, by law, to be considered restricted assets. These activities are included in the Water and Sewer Fund.

f. *Capital Assets*

Capital assets, which include land, buildings, equipment, and improvements, purchased or acquired, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund types. 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 two years. Such assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of business-type activities is not included as part of the capitalized value of the assets constructed.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30-50 years
Buildings and improvements	25-40 years
Machinery and vehicles	5-10 years

g. *Pensions and Other Post-employment Benefits (OPEB)*

For purposes of measuring the net pension and total OPEB liabilities, pension and OPEB related deferred outflows and inflows of resources, and pension and OPEB 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 Net Pension Liability and Total OPEB 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*, and GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*.

City of Murphy, Texas

Notes to the Basic Financial Statements

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net 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.

- Deferred charges on refunding — A deferred charge on refunding results from the difference in the carrying value of refunding debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension/OPEB contributions after measurement date, changes in proportion and contributions during the measurement period — These contributions are deferred and recognized as a reduction of the respective liability in the following fiscal year.
- Difference in expected and actual pension/OPEB experience and changes in actuarial assumptions — These differences are deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.

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 that qualify for reporting in this category in the government-wide financial statements:

- Difference in expected and actual pension/OPEB experience and changes in actuarial assumptions are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference between projected and actual investment earnings on pension assets. The difference is deferred and amortized over a closed 5-year period.
- Deferred gain on refunding— A deferred gain on refunding results from the difference in the carrying value of refunding debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The City also has three items in the fund statements: deferred inflows from property taxes, municipal fines and ambulance fees.

i. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Sick leave accrued hours shall be carried to the next year with a maximum of 720 hours (one thousand eighty (1,080) hours for full-time firefighters).

j. 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 on a straight-line basis. The City has compared this method to the effective interest method and found the difference between the two methods to be immaterial. Bond issuance costs are expensed during the year they are incurred.

City of Murphy, Texas

Notes to the Basic Financial Statements

The fund financial statements for 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.

k. *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.

l. *Fund Equity*

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

Nonspendable fund balance — amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Restricted fund balance — amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance — amounts can only be used for specific purposes pursuant to constraints imposed by ordinances of the City Council — the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance — amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City Council and City Manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed. The balances can be created with a resolution.

Unassigned fund balance — the residual classification for the City's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes. The general fund is the only fund that reports a positive unassigned fund balance. Other governmental funds may report a negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as needed.

City of Murphy, Texas

Notes to the Basic Financial Statements

The City believes that sound financial management principles require that sufficient funds be retained by the City to provide a stable financial base at all times. To retain this stable financial base, the City needs to maintain unrestricted fund balance in its funds sufficient to fund cash flows and to provide financial reserve for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balances are considered unrestricted.

The purpose of the City's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

The City's adopted policy is to achieve and maintain an unassigned fund balance in the General Fund equal to 15 percent of total budgeted expenditures for each fiscal year. The City is currently in compliance with this policy.

m. 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 must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

n. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed. Federal grants are from various federal and state agencies which are accounted for in the General Fund and ARP Act Fund.

o. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Legally authorized transfers are treated as transfers and are included in the results of operations of both governmental and proprietary funds. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities.

p. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure 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.

q. Program Revenues

Certain revenues such as charges for services and impact fees are included in program revenues in the government-wide statement of activities.

City of Murphy, Texas

Notes to the Basic Financial Statements

Note 2. Budgets and Budgetary Accounting

The City adopts an "appropriated budget" for governmental fund types on the modified accrual basis of accounting by department. The City is required to present the adopted and final amended budgeted revenues and expenditures. The City compares the final amended budget to actual revenues and expenditures. The General Fund budget appears on pages 26-27 and other informational budgets are presented in the supplementary information.

The following procedures are followed in establishing the budgetary data:

1. On or before the 10th day of August, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and revenues and an accompanying budget message.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through passage of an ordinance. If the Council takes no action on or prior to such day, the current budget shall be in force on a month-to-month basis until a new budget is adopted by the City Council.
4. Budgets for the General Fund, Capital Projects Fund, Debt Service Fund, and ARP Act Fund are legally adopted on a basis consistent with GAAP.
5. The level of control (the level at which expenditures may not exceed budget) is the department level. The City Manager and/or Director of Finance are authorized to approve a transfer of budgeted amounts within departments; however, any revisions that alter any department must be approved by the City Council.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. At year end, encumbrances are canceled or appropriated as part of the following year's budget.

Note 3. Deposits and Investments

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits, for safekeeping and trust with the City's agent bank approved pledge securities in an amount sufficient to protect City funds on a day-to-day basis, during the period of the contract. The pledge of approved securities is waived only to the extent of the applicable depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

City of Murphy, Texas

Notes to the Basic Financial Statements

A. Cash Deposits

At September 30, 2022, the carrying amount of the City's deposits (cash, money markets, and interest-bearing savings accounts included in temporary investments) was \$42,991,385 and the bank balance was \$43,432,302. The City's cash deposits at September 30, 2022 and during the year then ended were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name. Cash and cash equivalents as of September 30, 2022 consist of and are classified in the accompanying financial statements as follows:

Primary government:		
Cash and cash equivalents	\$	33,517,342
Restricted cash and cash equivalents		3,211,364
		<hr/>
		36,728,706
Discretely presented component units:		
Cash and cash equivalents		6,263,829
		<hr/>
Total cash and cash equivalents	\$	42,992,535
		<hr/> <hr/>
Cash and cash equivalents consists of the following:		
Petty cash	\$	1,150
Carrying amount of deposits		42,991,385
Total	\$	42,992,535
		<hr/> <hr/>

Cash and cash equivalents reported as restricted consists of amounts restricted for capital, municipal court and public safety purposes.

B. Investments

The Public Funds Investment Act ("Act") (Government Code Chapter 2256) requires the City to have an independent audit or perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. At year-end, the City does not have any investments subject to the fair value hierarchy.

C. Disclosure relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the time to the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by investing in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days, thus reducing the interest rate risk.

At this time, the City does not have any investments subject to interest rate risk.

City of Murphy, Texas

Notes to the Basic Financial Statements

D. Custodial Credit Risk

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

As of September 30, 2022, the City's deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

Note 4. Receivables

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

	General	Debt Service	Capital Projects	Total Governmental Funds	Water and Sewer	Storm Water	Total
Receivables							
Taxes	\$ 560,727	38,859	\$ 121,858	\$ 721,444	\$ -	\$ -	\$ 721,444
Ambulance fees	216,811	-	-	216,811	-	-	216,811
Municipal court	153,421	-	-	153,421	-	-	153,421
Fees and charges	145,766	-	-	145,766	1,648,580	32,356	1,826,702
Muddy Creek	-	-	-	-	194,558	-	194,558
Miscellaneous	82,365	117	-	82,482	-	-	82,482
Gross receivables	1,159,090	38,976	121,858	1,319,924	1,843,138	32,356	3,195,418
Less: allowance for uncollectibles	(315,967)	(3,886)	-	(319,853)	(18,118)	-	(337,971)
Net total	\$ 843,123	\$ 35,090	\$ 121,858	\$ 1,000,071	\$ 1,825,020	\$ 32,356	\$ 2,857,447

City of Murphy, Texas
Notes to the Basic Financial Statements

Note 5. Capital Assets

Capital asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 10,107,053	\$ -	\$ -	\$ -	\$ 10,107,053
Construction in progress	7,457,677	2,162,520	-	(9,405,977)	214,220
Total capital assets, not being depreciated	17,564,730	2,162,520	-	(9,405,977)	10,321,273
Capital assets being depreciated:					
Buildings and improvements	29,771,635	-	-	-	29,771,635
Infrastructure	76,774,477	716,195	-	9,405,977	86,896,649
Machinery and equipment	12,614,542	460,783	(192,848)	-	12,882,477
Total capital assets being depreciated	119,160,654	1,176,978	(192,848)	9,405,977	129,550,761
Less accumulated depreciation for:					
Buildings and improvements	(14,319,670)	(1,009,899)	-	-	(15,329,569)
Infrastructure	(23,429,303)	(2,068,270)	-	-	(25,497,573)
Machinery and equipment	(8,624,733)	(963,990)	191,991	-	(9,396,732)
Total accumulated depreciation	(46,373,706)	(4,042,159)	191,991	-	(50,223,874)
Total capital assets being depreciated, net	72,786,948	(2,865,181)	(857)	9,405,977	79,326,887
Governmental activities capital assets, net	\$ 90,351,678	\$ (702,661)	\$ (857)	\$ -	\$ 89,648,160

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 1,113,667	\$ 3,130,279	\$ -	\$ (1,132,857)	\$ 3,111,089
Total capital assets, not being depreciated	1,113,667	3,130,279	-	(1,132,857)	3,111,089
Capital assets being depreciated:					
Buildings and improvements	52,334,037	512,885	-	1,043,156	53,890,078
Machinery and equipment	1,825,066	313,624	(59,457)	89,701	2,168,934
Total capital assets being depreciated	54,159,103	826,509	(59,457)	1,132,857	56,059,012
Less accumulated depreciation for:					
Buildings and improvements	(16,649,797)	(1,189,161)	-	-	(17,838,958)
Machinery and equipment	(1,255,915)	(164,154)	59,457	-	(1,360,612)
Total accumulated depreciation	(17,905,712)	(1,353,315)	59,457	-	(19,199,570)
Total capital assets being depreciated, net	36,253,391	(526,806)	-	1,132,857	36,859,442
Business-type activities capital assets, net	\$ 37,367,058	\$ 2,603,473	\$ -	\$ -	\$ 39,970,531

City of Murphy, Texas

Notes to the Basic Financial Statements

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

Depreciation by function:		
Governmental activities:		
General government		\$ 1,232,054
Public safety		531,205
Public works		1,474,606
Public services and operations		59,218
Parks and recreation		745,076
		<u>4,042,159</u>
		\$ 4,042,159
Business-type activities:		
Water and Sewer		\$ 1,299,925
Stormwater		53,390
		<u>1,353,315</u>
		\$ 1,353,315

Note 6. Interfund Balances and Transfers

A. Due to and from Other Funds

Balances due to and from other funds at September 30, 2022 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
ARP Act Fund	General Fund	\$ 720
		<u>\$ 720</u>

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

B. Interfund Transfers

Transfers between funds during the fiscal year were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>	<u>Purpose</u>
Water and Sewer Fund	General Fund	\$ 925,000	Administrative costs
Storm Water Fund	Capital Projects Fund	139	Stormwater improvements
ARP Act Fund	Water and Sewer Fund	136,747	Water and sewer improvements
		<u>\$ 1,061,886</u>	

City of Murphy, Texas
Notes to the Basic Financial Statements

Note 7. Long-Term Obligations

A summary of long-term liabilities transactions, including the current portion, for the year ended September 30, 2022, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
Governmental activities:					
General obligation bonds	\$ 32,170,000	\$ -	\$ (3,400,000)	\$ 28,770,000	\$ 3,310,000
Tax notes	2,575,000	3,050,000	(630,000)	4,995,000	1,045,000
Unamortized bond premium	2,261,196	-	(304,861)	1,956,335	-
Financed purchases	338,391	120,550	(116,067)	342,874	138,613
Net pension liability	2,280,600	-	(1,315,798)	964,802	-
Total OPEB liability	309,710	49,977	-	359,687	-
Compensated absences	458,134	401,219	(353,521)	505,832	50,583
	<u>40,393,031</u>	<u>3,621,746</u>	<u>(6,120,247)</u>	<u>37,894,530</u>	<u>4,544,196</u>
Business-type activities:					
General obligation bonds	3,640,000		(415,000)	3,225,000	425,000
Tax notes	-	2,425,000	-	2,425,000	320,000
Certificates of obligation	7,065,000	-	(340,000)	6,725,000	355,000
Unamortized bond premium	595,565	-	(61,890)	533,675	-
Net pension liability	281,008	-	(170,879)	110,129	-
Total OPEB liability	38,161	2,896	-	41,057	-
Compensated absences	34,446	10,130	(10,957)	33,619	3,531
	<u>11,654,180</u>	<u>2,438,026</u>	<u>(998,726)</u>	<u>13,093,480</u>	<u>1,103,531</u>
Total Primary Government	<u>\$ 52,047,211</u>	<u>\$ 6,059,772</u>	<u>\$ (7,118,973)</u>	<u>\$ 50,988,010</u>	<u>\$ 5,647,727</u>

A. Compensated Absences

Compensated absences represent the estimated liability for employees' accrued holiday time and vacation leave which employees are entitled to be paid upon termination. The liability also includes sick leave for retirement eligible employees that were hired prior to 2009. Individuals hired after 2009 are not eligible to receive accrued sick time payments upon retirement. The retirement of this liability is typically paid from the General Fund and the Proprietary Fund based on the assignment of an employee at termination. Retirement of net pension and total OPEB liabilities have also typically been liquidated by these funds.

City of Murphy, Texas
Notes to the Basic Financial Statements

B. Bonds and Notes

Governmental activities bonds payable at September 30, 2022, includes the following individual issues:

Description	Original Amount	Year of Issue (Fiscal)	Final Maturity	Interest Rates	Balance 09/30/22
General Obligation Bonds:					
Refunding	\$ 11,695,000	2012	2024	2.0% - 5.0%	\$ 1,895,000
Improvements	12,770,000	2018	2038	3.0% - 4.0%	11,480,000
Improvements	8,315,000	2020	2040	2.15% - 3.0%	7,990,000
Refunding	8,850,000	2021	2031	2.0% - 4.0%	7,405,000
Total General Obligation Bonds	41,630,000				28,770,000
Tax Notes:					
Improvements	1,800,000	2016	2023	1.57%	270,000
Improvements	1,075,000	2018	2025	2.99%	495,000
Improvements	1,600,000	2020	2027	1.76%	1,180,000
Improvements	3,050,000	2022	2029	2.79%	3,050,000
Total Tax Notes	7,525,000				4,995,000
Total Governmental Activities Debt	\$ 49,155,000				\$ 33,765,000

Governmental activities debt service requirements are as follows:

Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 4,355,000	\$ 991,166	\$ 5,346,166
2024	3,475,000	853,232	4,328,232
2025	2,635,000	764,814	3,399,814
2026	2,535,000	694,146	3,229,146
2027	2,630,000	613,488	3,243,488
2028-2032	9,365,000	1,879,502	11,244,502
2033-2037	6,385,000	776,885	7,161,885
2038-2042	2,385,000	69,164	2,454,164
Total	\$ 33,765,000	\$ 6,642,397	\$ 40,407,397

A description of each governmental activities bond and tax note issuance is as follows:

\$11,695,000, Series 2012, General Obligation Refunding Bonds, issued for the purpose of refunding a portion of the City's general obligation debt, certificates of obligation, series 2001, 2002, 2002A, 2003, and 2004.

\$12,770,000, Series 2018 General Obligation Bonds, issued for street improvements, improvements to public safety facilities and improvements to park and recreation facilities.

\$8,315,000, Series 2019 General Obligation Bonds, issued for street improvements and improvements to park and recreation facilities.

City of Murphy, Texas

Notes to the Basic Financial Statements

\$1,800,000, Series 2016, Tax Notes, issued for the purpose of development and purchase of items for public safety voice, radio dispatch, emergency alert system, and associated software.

\$1,075,000, Series 2018 Tax Notes, for improvements to municipal buildings and facilities related to security systems and the purchase of machinery and equipment relating to information technology, computer networks, and audio-visual systems of the City.

\$1,600,000, Series 2020, Tax Notes, issued for the purchase of materials, supplies, equipment and machinery for the City's information technology, public works, parks and recreation, fire, police and animal control departments.

\$8,850,000, Series 2021, General Obligation Refunding Bonds, issued for the purpose of refunding a portion of the City's general obligation debt, series 2009, 2010, and 2011.

\$3,050,000, Series 2022, Tax Notes, issued for constructing, improving, extending, and repairing sidewalks, pedestrian bridges, trails, and related improvements.

Business-type activities bonds payable and tax notes at September 30, 2022, includes the following individual issues:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rates	Balance 09/30/22
General Obligation Bonds:					
Refunding	\$ 3,640,000	2021	2031	2.0% - 4.0%	\$ 3,225,000
Total General Obligation Bonds	3,640,000				3,225,000
Tax Notes:					
Improvements	2,425,000	2022	2029	2.2% - 3.27%	2,425,000
Total Tax Notes	2,425,000				2,425,000
Certificates of Obligation:					
Improvements	2,910,000	2014	2034	2.0% - 4.0%	1,940,000
Improvements	5,525,000	2018	2038	3.0% - 4.0%	4,785,000
Total Certificates of Obligation	8,435,000				6,725,000
Total Business-Type Activities Debt	\$ 14,500,000				\$ 12,375,000

City of Murphy, Texas

Notes to the Basic Financial Statements

Business-type activities debt service requirements are as follows:

Fiscal Year Ending September 30,	Business Activities		
	Principal	Interest	Total
2023	\$ 1,100,000	\$ 392,222	\$ 1,492,222
2024	1,130,000	360,685	1,490,685
2025	1,165,000	329,126	1,494,126
2026	1,200,000	295,718	1,495,718
2027	1,235,000	255,866	1,490,866
2028-2032	4,050,000	702,162	4,752,162
2033-2037	2,115,000	232,716	2,347,716
2038-2042	380,000	6,650	386,650
Total	\$ 12,375,000	\$ 2,575,145	\$ 14,950,145

A description of each business-type activities bond and tax note issuance is as follows:

\$2,910,000, Series 2014, certificates of obligation, issued for the purpose of sewer infrastructure improvements including the purchase of land and right-of-ways.

\$5,525,000, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2018, issued for the purpose of constructing, renovating, enlarging, equipping, and improving water and wastewater facilities.

\$3,640,000, Series 2021, General Obligation Refunding Bonds, issued for the purpose of refunding of the City's certificates of obligation Series 2009.

\$2,425,000, Series 2022A, Tax Notes, issued for constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving waterworks and sewer system properties and facilities, including purchasing and installing advanced metering infrastructure.

C. Financed purchases

The City has various general government financed purchases related to computer equipment. Future payments are due as follows:

Year Ending September 30,	Principal	Interest	Total
2023	\$ 138,613	\$ 11,892	\$ 150,505
2024	123,290	6,234	129,524
2025	65,160	2,721	67,881
2026	15,811	632	16,443
Total	\$ 342,874	\$ 21,479	\$ 364,353

City of Murphy, Texas

Notes to the Basic Financial Statements

Note 8. Pension Plan

A. Plan Description

The City participates as one of 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at www.tmr.com.

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

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the 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 actuarially equivalent 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. Plan provisions for the City are as follows:

Member's deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, 5 years at age 60 and above
Updated service credit	100% Repeating
Annuity increase to retirees	70% of CPI Repeating

C. Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	62
Inactive employees entitled to but not yet receiving benefits	136
Active employees	112
Total	310

City of Murphy, Texas

Notes to the Basic Financial Statements

Contributions. Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, and the city matching percentages are either 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 city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.27% and 14.24% in calendar years 2022 and 2021, respectively. The City's pension contributions to TMRS for the year ended September 30, 2022, were \$1,230,676, 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.

D. Actuarial Assumptions

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.50% to 11.50% including inflation
Investment rate of return	6.75%

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

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

City of Murphy, Texas

Notes to the Basic Financial Statements

Actuarial assumptions used in the December 31, 2021 valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2014 through December 31, 2018. Healthy post-retirement mortality rates and annuity purchase rates are based on a Mortality Experience Investigation Study covering 2014 through 2018, and dated December 31, 2019. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class 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%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

E. 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 period of projected benefit payments to determine the Total Pension Liability.

City of Murphy, Texas
Notes to the Basic Financial Statements

F. Changes in the Net Pension Liability

	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/20	\$ 27,685,430	\$ 25,123,822	\$ 2,561,608
Changes for the year:			
Service cost	1,556,535	-	1,556,535
Interest	1,894,829	-	1,894,829
Changes of benefit terms	-	-	-
Difference between expected and actual experience	105,004	-	105,004
Changes of assumptions	-	-	-
Contributions - employer	-	1,189,113	(1,189,113)
Contributions - employee	-	584,536	(584,536)
Net investment income	-	3,284,446	(3,284,446)
Benefit payments, including refunds of employee contributions	(784,319)	(784,319)	-
Administrative expense	-	(15,154)	15,154
Other changes	-	104	(104)
Net Changes	2,772,049	4,258,726	(1,486,677)
Balance at 12/31/21	\$ 30,457,479	\$ 29,382,548	\$ 1,074,931

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) of 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%)
Net Pension Liability	\$ 6,419,708	\$ 1,074,931	\$ (3,173,242)

G. Pension Plan Fiduciary Net Position

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

City of Murphy, Texas

Notes to the Basic Financial Statements

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

For the year ended September 30, 2022, the City recognized pension expense of \$707,478.

At September 30, 2022, 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
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 138,213	\$ (14,616)
Changes in actuarial assumptions	40,992	-
Difference between projected and actual investment earnings	-	(1,686,697)
Change in proportion	28,611	(28,608)
Contributions during measurement date	11,514	(11,602)
Contributions subsequent to the measurement date	907,501	-
	<u> </u>	<u> </u>
Total	<u><u>\$ 1,126,831</u></u>	<u><u>\$ (1,741,523)</u></u>

\$907,501 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Fiscal Year Ended September 30,	Net Deferred Outflows (Inflows)
<u> </u>	<u> </u>
2023	\$ (247,533)
2024	(622,518)
2025	(334,424)
2026	(317,718)
	<u> </u>
	<u><u>\$ (1,522,193)</u></u>

Note 9. Other Post-employment Benefit Plan (OPEB)

A. Plan Description

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

City of Murphy, Texas

Notes to the Basic Financial Statements

B. Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of \$7,500.

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	41
Inactive employees entitled to but not yet receiving benefits	32
Active employees	112
	<hr/>
	185
	<hr/>

C. Contributions

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

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

The retiree portion of contribution rates to the SDBF for the City was 0.12% for calendar year 2022. The City's contributions to the SDBF for the year ended September 30, 2022 was \$12,099 and were equal to the required contributions.

D. Total OPEB Liability

The City's Total OPEB Liability (TOL) was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date.

E. Actuarial Assumptions

The Total OPEB Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5% to 11.5% including inflation
Discount rate	1.84%

City of Murphy, Texas

Notes to the Basic Financial Statements

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

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

The discount rate used to measure the Total OPEB Liability was 1.84% as of December 31, 2021.

F. Changes in Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2020	\$ 347,871
Changes for the year:	
Service Cost	30,062
Interest on Total OPEB Liability	7,216
Change of benefit terms	-
Difference between expected and actual experience	5,062
Changes of assumptions or other inputs	14,708
Benefit payments	(4,175)
Administrative expense	-
Other changes	-
Net changes	<u>52,873</u>
Balance at 12/31/21	<u><u>\$ 400,744</u></u>

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 1.84%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (.84%) or 1 percentage-point higher (2.84%) than the current rate:

	1% Decrease in Discount Rate (.84%)	Discount Rate (1.84%)	1% Increase in Discount Rate (2.84%)
Total OPEB Liability	\$ 512,992	\$ 400,744	\$ 318,405

City of Murphy, Texas

Notes to the Basic Financial Statements

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$53,707. At September 30, 2022, 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
Changes in assumptions and other inputs	\$ 81,964	\$ (7,555)
Differences in expected and actual experience	9,869	(19,712)
Changes in proportion	3,155	(3,160)
Contributions during measurement period	19,812	-
Contributions subsequent to the measurement date	9,588	-
Total	\$ 124,388	\$ (30,427)

The \$9,588 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will reduce the Total OPEB liability during the year ending September 30, 2023. The other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended September 30,	Net Deferred Outflows (Inflows)
2023	\$ 21,054
2024	20,414
2025	18,304
2026	16,764
2027	7,837
Total	\$ 84,373

Note 10. Health Care Coverage

During the year ended September 30, 2022, employees of the City were covered by a health insurance plan ("Plan"). The City contributed \$473 per month per employee and 50% of the cost for dependents. Employees, at their option, authorized payroll withholdings to pay additional contributions for dependents. Contributions since September 2021 were paid to Blue Cross Blue Shield. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

City of Murphy, Texas

Notes to the Basic Financial Statements

Note 11. Insurance Coverage

In accordance with state statute, the City was protected against unanticipated catastrophic individual or aggregate loss by insurance coverage carried through Texas Municipal League, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Insurance coverage was in effect for property with a \$2,500 deductible and vehicles with a \$1,000 deductible.

Note 12. Risk Management

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City had general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settlement claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

Note 13. Litigation

There is no threatened or pending litigation against the City at fiscal year-end.

Note 14. Additional Water and Sewer Information

The following information is included at the request of the Texas Water Development Board for the year under audit. Amount included on the Water Accountability Report:

Gallons Pumped	1,646,053,000
Gallons Billed	1,140,278,579

The City of Murphy secures its water supply and sewer services from the North Texas Municipal Water District ("District"), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 17-member board ("Board"). The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contracts with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee or rental due to the District. Because of these factors, the District is not included in the City's basic financial statements.

The City purchases all of its water from the North Texas Municipal Water District. The cost for water purchases is calculated based upon the maximum or peak usage of prior years. The City currently pays \$3.04 per thousand gallons of water for this fiscal year.

City of Murphy, Texas

Notes to the Basic Financial Statements

The City is also contracted for wastewater treatment services with the District. The District has been designated by the Texas Water Quality Board as the regional agency to provide and develop a Regional System for Wastewater Treatment in the general area of the East Fork of the Trinity River, which includes the City of Murphy and other cities located in Collin, Dallas, Kaufman and Rockwall Counties, Texas. Relative thereto, the City and other cities have entered into wastewater system contracts with the District, which provide for the establishment, operation, and maintenance of a Regional Wastewater System for the purpose of providing facilities to adequately receive, transport, treat, and dispose of wastewater for the cities. In order to provide said services, the contract provides that (a) the District will acquire, design, construct, and complete the system, repair, replace and/or extend the system to provide service to the cities; (b) in consideration of payments to be made under the contract, each of the cities shall have the right to discharge all of its wastewater from its sewage system into the District's system, subject to certain quality requirements set forth in the contract; (c) the District will issue its bonds, in amounts and at times determined by the District, to provide for the wastewater treatment facilities; (d) each city agrees to pay its proportionate share of the annual requirement sufficient to pay or provide for the payment of an "Operation and Maintenance Component" and a "Bond Service Component"; (e) each city's proportionate share of the annual requirement shall be a percentage obtained by dividing such city's estimated contributing flow to the system by the total estimated contributing flow to the system by all cities during such fiscal year. No city will exercise oversight responsibility of the District and no city is liable for the District's debt.

Muddy Water Regional Wastewater System

In May 1999, the Cities of Wylie and Murphy in Collin County entered into a contract with the District to provide for the acquisition, construction, improvement, operation, and maintenance of the Regional Muddy Creek Wastewater System (System) for the purpose of providing facilities to adequately receive, transport, treat, and dispose of wastewater. The District will own the System with Wylie and Murphy as the initial participants. The District issued approximately \$20 million in bonds to construct this new facility. Budget calculations for operating costs and debt service for the System of the service commencement date is based on the following estimated flow ratio: City of Wylie – 2/3 and Murphy – 1/3. "Service Commencement Date" means the first date upon which the System is available to treat wastewater from the participants.

The District sends each participant a letter detailing the annual requirement necessary to operate the System each year. The annual requirement budget includes an operation and maintenance component and a bond service component. The budgeting ratio described earlier was only valid for the first year of System operations. In subsequent years, budgets and year-end audits are based on actual flow ratios. For example, if the flow measurements indicate that 60% of the flow is produced by Wylie and 40% by Murphy, then the next year's operating and debt service components would be allocated using a 60/40 split. If in the future, additional participants are added, then the flow ratios would be adjusted using the above method.

The contract with the District has a clause for "Credit for Payments Relating to the System." This clause states: "Each participant shall be entitled to a credit in an amount equal to any funds advanced by such Participant with the approval of the District for land, engineering, construction or other costs related to the System and/or the financing thereof". All credits for advance made prior to the Service Commencement Date shall bear interest from the date of such advance at a rate equal to the net effective interest rate on the initial issue of the bonds hereunder. All credits for advances made prior to the Service Commencement Date shall be amortized over a period of twenty years, with such amortization to commence on October 1 of the Fiscal Year following the Service Commencement Date.

In 2004, the City made an advance payment of \$1,369,848. This amount is being amortized over a twenty-year period commencing with fiscal year 2005. The amortization was \$91,292 for 2022, leaving an unamortized balance of \$194,558 as of September 30, 2022 which is recorded as accounts receivable.

City of Murphy, Texas

Notes to the Basic Financial Statements

Note 15. Construction Commitments

The City has active construction projects as of September 30, 2022. The projects include street and sidewalk infrastructure and water and sewer infrastructure improvements. At September 30, 2022, the City's commitments with contractors are as follows:

Project	Remaining Commitment
Infrastructure	\$ 434,130
Utility Infrastructure	1,016,867
Totals	\$ 1,450,997

Note 16. Murphy Community Development Corporation

The Murphy Community Development Corporation ("CDC") is financed by the City transferring its allocated share of sales tax receipts each month. This has voter approval and is to be used to fund public projects to enhance the quality of life in the community.

A. Deposits and Investments

Cash and investments as of September 30, 2022 consist of the following and are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and cash equivalents	\$ 2,418,690
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B. Custodial Credit Risk

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

As of September 30, 2022, CDC deposits with financial institutions were covered by FDIC and fully collateralized.

City of Murphy, Texas

Notes to the Basic Financial Statements

C. Receivables

Receivables for CDC at the end of the current fiscal year were as follows:

Receivables:	
Sales tax	\$ 243,715
	<hr/>
Total	\$ 243,715
	<hr/> <hr/>

Note 17. Murphy Municipal Development District

In November, 2011, the City held a special election for the purpose of submitting to qualified voters to terminate the Murphy Economic Development Corporation (Type A) and the abolition of its sales tax for the promotion and development of new and expanded business enterprises at the rate of one-half of one percent, and concurrently, authorize the creation of the City of Murphy Municipal Development District ("MDD") with the imposition of a sales and use tax at the rate of one-half of one percent for the purpose of financing development projects beneficial to MDD.

A. Deposits and Investments

Cash and investments as of September 30, 2022 consist of and are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and cash equivalents	\$ 3,845,139
	<hr/> <hr/>

B. Custodial Credit Risk

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

As of September 30, 2022, MDD deposits with financial institutions were covered by FDIC and fully collateralized.

C. Receivables

Receivables for MDD at the end of the current fiscal year were as follows:

Receivables:	
Sales tax	\$ 120,567
	<hr/>
Total	\$ 120,567
	<hr/> <hr/>

Required Supplementary Information

City of Murphy, Texas

Schedule of Changes in Net Pension Liability and Related Ratios Texas Municipal Retirement System Last Eight Measurement Periods

	Measurement Year							
	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:								
Service cost	\$ 1,556,535	\$ 1,558,889	\$ 1,522,290	\$ 1,441,416	\$ 1,306,442	\$ 1,296,399	\$ 1,245,327	\$ 1,050,852
Interest (on the Total Pension Liability)	1,894,829	1,727,287	1,551,971	1,399,243	1,258,826	1,111,877	1,026,901	918,661
Difference between expected and actual experience	-	59,754	101,617	(117,188)	(71,082)	219,473	(100,244)	(124,436)
Change in assumptions	105,004	-	136,320	-	-	-	46,815	-
Benefit payments, including refunds of employee contributions	(784,319)	(940,989)	(525,453)	(477,094)	(485,755)	(425,744)	(458,443)	(333,601)
Net change in total pension liability	2,772,049	2,404,941	2,786,745	2,246,377	2,008,431	2,202,005	1,760,356	1,511,476
Total pension liability - beginning	27,685,430	25,280,489	22,493,744	20,247,367	18,238,936	16,036,931	14,276,575	12,765,099
Total pension liability - ending (a)	30,457,479	27,685,430	25,280,489	22,493,744	20,247,367	18,238,936	16,036,931	14,276,575
Plan fiduciary net position:								
Contributions - employer	1,189,113	1,164,793	1,151,002	1,076,118	1,022,730	931,923	943,727	638,669
Contributions - employee	584,536	583,230	571,063	540,145	496,746	474,375	473,766	423,071
Net investment income	3,284,446	1,720,712	2,875,597	(539,110)	2,062,350	879,201	17,806	613,963
Benefit payments, including refunds of employee contributions	(784,319)	(940,989)	(525,453)	(477,094)	(485,755)	(425,744)	(458,443)	(333,601)
Administrative expense	(15,154)	(11,104)	(16,206)	(10,399)	(10,686)	(9,944)	(10,842)	(6,408)
Other	106	(435)	(486)	(546)	(542)	(537)	(536)	(527)
Net change in plan fiduciary net position	4,258,728	2,516,209	4,055,519	589,114	3,084,843	1,849,274	965,478	1,335,167
Plan fiduciary net position - beginning	25,123,822	22,607,615	18,552,098	17,962,984	14,878,141	13,028,867	12,063,389	10,728,222
Plan fiduciary net position - ending (b)	29,382,548	25,123,822	22,607,615	18,552,098	17,962,984	14,878,141	13,028,867	12,063,389
Net pension liability - ending (a) - (b)	\$ 1,074,931	\$ 2,561,608	\$ 2,672,874	\$ 3,941,646	\$ 2,284,383	\$ 3,360,795	\$ 3,008,064	\$ 2,213,186
Plan fiduciary net position as a percentage of total pension liability	96.47%	90.75%	89.43%	82.48%	88.72%	81.57%	81.24%	84.50%
Covered payroll	\$ 8,350,510	\$ 8,331,850	\$ 8,158,040	\$ 7,716,358	\$ 7,096,372	\$ 6,776,784	\$ 6,768,083	\$ 6,043,871
Net pension liability as a percentage of covered payroll	12.87%	30.74%	32.76%	51.08%	32.19%	49.59%	44.44%	36.62%

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

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

City of Murphy, Texas
 Schedule of Pension Contributions
 Texas Municipal Retirement System
 Last Nine Fiscal Years

	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Actuarially determined contribution	\$ 1,230,676	\$ 1,174,871	\$ 1,167,249	\$ 1,133,549	\$ 1,062,070	\$ 995,834	\$ 906,822	\$ 841,012	\$ 622,027
Contributions in relation of the actuarially determined contribution	1,230,676	1,174,871	1,167,249	1,133,549	1,062,070	995,834	906,822	841,012	622,027
Contribution deficiency (excess)	\$ -								
Covered payroll	\$ 8,642,389	\$ 8,374,629	\$ 8,328,170	\$ 8,056,878	\$ 7,546,881	\$ 6,997,115	\$ 6,708,287	\$ 6,442,822	\$ 5,931,242
Contributions as a percentage of covered payroll	14.24%	14.03%	14.02%	14.07%	14.07%	14.23%	13.52%	13.05%	10.49%

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

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

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

City of Murphy, Texas

Schedule of Total OPEB Liability and Related Ratios

Texas Municipal Retirement System

Last Five Measurement Periods

	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
Total OPEB Liability:					
Service cost	\$ 30,062	\$ 23,329	\$ 16,316	\$ 18,519	\$ 14,902
Interest	7,216	7,819	8,590	7,034	6,443
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	5,062	(9,195)	(24,498)	13,796	-
Change in assumptions	14,708	54,104	50,095	(18,427)	19,660
Benefit payments	(4,175)	(1,666)	(816)	(772)	(710)
Net change in total OPEB liability	52,873	74,391	49,687	20,150	40,295
Total OPEB Liability-beginning	347,871	273,480	223,793	203,643	163,348
Total OPEB Liability-ending	\$ 400,744	\$ 347,871	\$ 273,480	\$ 223,793	\$ 203,643
Covered - employee payroll	\$ 8,350,510	\$ 8,331,850	\$ 8,158,040	\$ 7,716,358	\$ 7,096,372
City's total OPEB liability as a % of covered - employee payroll	4.80%	4.18%	3.35%	2.90%	2.87%

Only five years of data is presented in accordance with GASB Statement No. #75. Additional years' information will be displayed as it becomes available.

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

City of Murphy, Texas
 Schedule of OPEB Contributions
 Texas Municipal Retirement System
 Last Five Fiscal Years

	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Actuarially determined contribution	\$ 12,099	\$ 11,724	\$ 12,639	\$ 10,037	\$ 8,302
Contribution in relation of the actuarially determined contribution	12,099	11,724	12,639	10,037	8,302
Contribution deficiency (excess)	<u>\$ -</u>				
Covered - employee payroll	\$8,642,389	\$8,374,629	\$8,328,170	\$8,056,878	\$7,546,881
Contributions as a percentage of covered - employee payroll	0.14%	0.14%	0.15%	0.12%	0.11%

Only five years of data is presented in accordance with GASB Statement No. #75. Additional years' information will be displayed as it becomes available.

Note: GASB Statement No. 75 paragraph 57 requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

City of Murphy, Texas

Notes to Required Supplementary Information
Texas Municipal Retirement System
For the Fiscal Year Ended September 30, 2022

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	23 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP

Other information:

There were no benefit changes during the year.

Individual Fund Financial Statements and Schedules

City of Murphy, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (GAAP Basis) and Actual – Debt Service Fund
 For the Fiscal Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 5,072,952	\$ 5,072,952	\$ 5,044,649	\$ (28,303)
Investment income	7,000	7,000	1,655	(5,345)
Miscellaneous	-	-	6,325	6,325
Total revenues	<u>5,079,952</u>	<u>5,079,952</u>	<u>5,052,629</u>	<u>(27,323)</u>
EXPENDITURES				
Debt service				
Principal retirement	4,030,000	4,030,000	4,030,000	-
Interest and fiscal charges	1,026,353	1,026,353	1,025,184	1,169
Debt issuance costs	7,500	7,500	-	7,500
Total expenditures	<u>5,063,853</u>	<u>5,063,853</u>	<u>5,055,184</u>	<u>8,669</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>16,099</u>	<u>16,099</u>	<u>(2,555)</u>	<u>(18,654)</u>
NET CHANGE IN FUND BALANCE	16,099	16,099	(2,555)	(18,654)
FUND BALANCE, beginning of year	<u>759,448</u>	<u>759,448</u>	<u>759,448</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 775,547</u>	<u>\$ 775,547</u>	<u>\$ 756,893</u>	<u>\$ (18,654)</u>

City of Murphy, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual – Capital Projects Fund
For the Fiscal Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes	\$ 570,224	\$ 570,224	\$ 712,940	\$ 142,716
Investment income	80	80	31,899	31,819
Total revenues	570,304	570,304	744,839	174,535
EXPENDITURES				
Current operating:				
General government	10,000	151,843	143,012	8,831
Capital outlay	8,043,986	7,923,442	2,448,099	5,475,343
Debt service:				
Debt issuance costs	-	-	41,329	(41,329)
Total expenditures	8,053,986	8,075,285	2,632,440	5,442,845
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(7,483,682)	(7,504,981)	(1,887,601)	5,617,380
Other financing sources				
Tax notes issued	-	-	3,050,000	3,050,000
Transfers in	-	-	139	139
Total other financing sources	-	-	3,050,139	3,050,139
NET CHANGE IN FUND BALANCE	(7,483,682)	(7,504,981)	1,162,538	8,667,519
FUND BALANCE, beginning of year	6,110,927	6,110,927	6,110,927	-
FUND BALANCE, end of year	\$ (1,372,755)	\$ (1,394,054)	\$ 7,273,465	\$ 8,667,519

City of Murphy, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual – ARP Act Fund

For the Fiscal Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,079,612	\$ 5,079,612	\$ 143,396	\$ (4,936,216)
Total revenues	5,079,612	5,079,612	143,396	(4,936,216)
EXPENDITURES				
Current operating:				
General government	5,079,612	5,079,612	6,649	5,072,963
Total expenditures	5,079,612	5,079,612	6,649	5,072,963
EXCESS OF REVENUE OVER EXPENDITURES	-	-	136,747	136,747
Other financing uses:				
Transfers out	-	-	(136,747)	(136,747)
Total other financing uses	-	-	(136,747)	(136,747)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

City of Murphy, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (GAAP Basis) and Actual – Community Development Corporation
 For the Fiscal Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 1,140,448	\$ 1,140,448	\$ 1,425,880	\$ 285,432
Charges for service	5,000	5,000	32,243	27,243
Donations	2,000	2,000	1,436	(564)
Investment income	2,653	2,653	2,023	(630)
Total revenues	<u>1,150,101</u>	<u>1,150,101</u>	<u>1,461,582</u>	<u>311,481</u>
EXPENDITURES				
Current				
Personnel services	86,727	86,095	55,422	30,673
Administration	304,133	1,040,585	291,133	749,452
Contractual services and supplies	219,975	219,975	16,143	203,832
Community events	71,424	289,131	280,422	8,709
Capital outlay	190,000	190,001	166,807	23,194
Total expenditures	<u>872,259</u>	<u>1,825,787</u>	<u>809,927</u>	<u>1,015,860</u>
NET CHANGE IN FUND BALANCE	277,842	(675,686)	651,655	1,327,341
FUND BALANCE, October 1	<u>1,913,568</u>	<u>1,913,568</u>	<u>1,913,568</u>	<u>-</u>
FUND BALANCE, September 30	<u>\$ 2,191,410</u>	<u>\$ 1,237,882</u>	<u>\$ 2,565,223</u>	<u>\$ 1,327,341</u>

City of Murphy, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (GAAP Basis) and Actual – Murphy Municipal Development District
 For the Fiscal Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 570,224	\$ 570,224	\$ 708,800	\$ 138,576
Investment income	5,232	5,232	4,134	(1,098)
Total revenues	575,456	575,456	712,934	137,478
EXPENDITURES				
Current				
Administration	421,401	461,701	337,649	124,052
Contractual services	74,750	92,850	37,104	55,746
Capital outlay	-	156,500	9,065	147,435
Total expenditures	496,151	711,051	383,818	327,233
NET CHANGE IN FUND BALANCE	79,305	(135,595)	329,116	464,711
FUND BALANCE, October 1	3,614,326	3,614,326	3,614,326	-
FUND BALANCE, September 30	\$ 3,693,631	\$ 3,478,731	\$ 3,943,442	\$ 464,711

Statistical Section

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City of Murphy, Texas

Statistical Section

Table of Contents

Statistical Section

This part of the City of Murphy, Texas' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Table #s</u>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	1 to 5
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6 to 10
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	11 to 15
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	16 to 17
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	18 to 20

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

City of Murphy, Texas

Net Position by Component

Last Ten Fiscal Years (Unaudited)

(Accrual Basis of Accounting) – Amounts Expressed in Thousands

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 44,574	\$ 47,365	\$ 50,922	\$ 48,931
Restricted	887	818	832	2,611
Unrestricted	5,232	5,616	2,455	4,543
Total governmental activities net position	\$ 50,693	\$ 53,799	\$ 54,209	\$ 56,085
Business-type activities				
Net investment in capital assets	\$ 25,025	\$ 24,910	\$ 22,284	\$ 25,461
Restricted	652	647	647	674
Unrestricted	3,483	3,464	6,332	3,398
Total business-type activities net position	\$ 29,160	\$ 29,021	\$ 29,263	\$ 29,533
Primary government				
Net investment in capital assets	\$ 69,599	\$ 72,275	\$ 73,206	\$ 74,392
Restricted	1,539	1,465	1,479	3,285
Unrestricted	8,715	9,080	8,787	7,941
Total primary governmental net position	\$ 79,853	\$ 82,820	\$ 83,472	\$ 85,618

Source: Annual Comprehensive Financial Report

Table 1

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 55,882	\$ 54,480	\$ 54,524	\$ 57,681	\$ 58,792	\$ 60,541
2,209	1,557	1,301	1,035	951	923
3,127	3,585	3,961	5,496	6,864	8,830
<u>\$ 61,218</u>	<u>\$ 59,622</u>	<u>\$ 59,786</u>	<u>\$ 64,212</u>	<u>\$ 66,607</u>	<u>\$ 70,294</u>
\$ 25,647	\$ 19,020	\$ 25,854	\$ 28,678	\$ 28,651	\$ 29,416
707	827	956	898	843	756
3,146	10,597	5,478	7,222	7,822	9,736
<u>\$ 29,500</u>	<u>\$ 30,444</u>	<u>\$ 32,288</u>	<u>\$ 36,798</u>	<u>\$ 37,316</u>	<u>\$ 39,908</u>
\$ 81,529	\$ 73,500	\$ 80,378	\$ 86,359	\$ 87,443	\$ 89,957
2,916	2,384	2,257	1,933	1,794	1,679
6,273	14,182	9,439	12,718	14,686	18,566
<u>\$ 90,718</u>	<u>\$ 90,066</u>	<u>\$ 92,074</u>	<u>\$ 101,010</u>	<u>\$ 103,923</u>	<u>\$ 110,202</u>

City Of Murphy, Texas

Changes in Net Position

Last Ten Fiscal Years (Unaudited)

(Accrual Basis of Accounting) – Amounts Expressed in Thousands

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	\$ 3,636	\$ 3,517	\$ 4,051	\$ 5,266
Public safety	5,291	5,525	5,905	6,268
Public services and operations	789	630	702	684
Parks and recreation	1,545	1,582	151	121
Public works	1,220	1,275	1,587	1,812
Sanitation services	698	721	1,433	1,101
Development	131	110	756	761
Interest on long-term debt	1,129	1,218	1,228	986
Total governmental activities expenses	14,439	14,578	15,813	16,999
Business-type activities:				
Water and sewer	6,461	6,507	7,388	8,172
Storm water	-	-	-	-
Total business-type activities expenses	6,461	6,507	7,388	8,172
Total primary government expenses	\$ 20,900	\$ 21,085	\$ 23,201	\$ 25,171
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 39	\$ 40	\$ 15	\$ 15
Public safety	832	682	716	698
Public services and operations	939	727	117	139
Parks and recreation	121	137	220	221
Public works	213	217	559	1,017
Sanitation services	903	897	917	916
Operating grants and contributions	369	245	717	1,485
Capital grants and contributions	1,976	1,546	2,821	1,689
Total governmental activities program revenues	5,392	4,491	6,082	6,180
Business-type activities:				
Charges for services:				
Water and sewer	7,059	7,188	8,623	8,980
Storm water	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	7,059	7,188	8,623	8,980
Total primary government program revenues	\$ 12,451	\$ 11,679	\$ 14,705	\$ 15,160

Source: Annual Comprehensive Financial Report

Table 2

		Fiscal Year									
		2017	2018	2019	2020	2021	2022				
\$	5,522	\$	5,219	\$	5,299	\$	5,618	\$	6,029	\$	5,644
	6,478		6,979		7,397		7,242		6,928		7,428
	723		581		769		760		825		889
	157		2,342		2,509		2,479		2,204		2,287
	2,122		1,313		1,391		1,358		1,375		1,249
	1,217		880		979		1,007		1,034		1,054
	770		144		-		-		-		-
	933		1,201		1,283		1,256		1,703		788
	17,922		18,659		19,627		19,720		20,098		19,339
	8,668		9,449		10,265		10,514		10,661		10,317
	-		-		138		181		222		190
	8,668		9,449		10,403		10,695		10,883		10,507
\$	26,590	\$	28,108	\$	30,030	\$	30,415	\$	30,981	\$	29,846
\$	11	\$	16	\$	16	\$	13	\$	18	\$	41
	804		633		664		618		865		753
	129		584		627		652		433		507
	228		126		136		65		85		116
	612		248		-		-		-		-
	938		1,026		1,190		1,224		1,305		1,285
	750		383		548		1,232		784		732
	3,275		-		-		-		443		407
	6,747		3,016		3,181		3,804		3,933		3,841
	9,440		11,111		12,668		12,042		11,699		12,895
	-		-		230		321		310		327
	-		-		-		132		196		513
	9,440		11,111		12,898		12,495		12,205		13,735
\$	16,187	\$	14,127	\$	16,079	\$	16,299	\$	16,138	\$	17,576

City of Murphy, Texas

Changes in Net Position – Continued

Last Ten Fiscal Years (Unaudited)

(Accrual Basis of Accounting) – Amounts Expressed in Thousands

	Fiscal Year			
	2013	2014	2015	2016
Net (Expense) Revenues				
Governmental activities	\$ (9,047)	\$ (10,087)	\$ (9,731)	\$ (10,819)
Business-type activities	598	681	1,235	808
Total primary government net expense	\$ (8,449)	\$ (9,406)	\$ (8,496)	\$ (10,011)
General Revenues and other Changes in Net Position				
Governmental activities:				
Taxes:				
Property	\$ 8,962	\$ 9,348	\$ 9,911	\$ 10,483
Sales	1,300	1,625	1,801	2,006
Franchise	855	970	1,041	1,029
Investment income	17	12	11	26
Miscellaneous	281	389	57	770
Transfers	850	850	850	850
Total governmental activities	12,265	13,194	13,671	15,164
Business-type activities:				
Investment income	6	4	6	19
Miscellaneous	10	25	22	35
Transfers	(850)	(850)	(850)	(850)
Total business-type activities	(834)	(821)	(822)	(796)
Total primary government	\$ 11,431	\$ 12,373	\$ 12,849	\$ 14,368
Change in Net Position				
Governmental activities	\$ 3,218	\$ 3,107	\$ 3,940	\$ 4,344
Business-type activities	(236)	(140)	413	12
Total primary government	\$ 2,982	\$ 2,967	\$ 4,353	\$ 4,356

Table 2 (Concluded)

		Fiscal Year									
		2017	2018	2019	2020	2021	2022				
\$	(11,175)	\$	(15,643)	\$	(16,446)	\$	(15,916)	\$	(16,165)	\$	(15,498)
	772		1,662		2,495		1,800		1,322		3,228
\$	(10,403)	\$	(13,981)	\$	(13,951)	\$	(14,116)	\$	(14,843)	\$	(12,270)
<hr/>											
\$	11,179	\$	11,792	\$	12,328	\$	12,833	\$	13,104	\$	13,546
	2,001		1,986		2,144		2,927		3,474		3,612
	992		976		1,012		956		912		966
	49		81		94		76		122		121
	1,236		64		157		710		76		153
	850		385		875		855		872		788
	16,307		15,284		16,610		18,357		18,560		19,186
<hr/>											
	32		36		58		58		64		51
	12		84		166		41		4		100
	(850)		(385)		(875)		(855)		(872)		(788)
	(806)		(265)		(651)		(756)		(804)		(637)
\$	15,501	\$	15,019	\$	15,959	\$	17,601	\$	17,756	\$	18,549
<hr/>											
\$	5,132	\$	(359)	\$	164	\$	2,441	\$	2,395	\$	3,688
	(34)		1,397		1,844		1,044		518		2,591
\$	5,098	\$	1,038	\$	2,008	\$	3,485	\$	2,913	\$	6,279

City of Murphy, Texas

Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years (Unaudited)
Amounts Expressed in Thousands

Table 3

Fiscal Year Ended	Property Tax	Sales Tax	Franchise Tax	Total
2013	\$ 8,950	\$ 1,299	\$ 856	\$ 11,105
2014	9,365	1,625	970	11,960
2015	9,892	1,801	1,041	12,734
2016	10,483	2,006	1,029	13,518
2017	11,179	2,001	992	14,172
2018	11,792	1,986	975	14,753
2019	12,328	2,144	1,012	15,484
2020	12,833	2,927	956	16,716
2021	13,104	3,474	912	17,490
2022	13,546	3,612	966	18,124

Source: Annual Comprehensive Financial Report

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City of Murphy, Texas

Fund Balances, Governmental Funds

Last Ten Fiscal Years (Unaudited)

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

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable - prepaid items	\$ -	\$ -	\$ -	\$ 29
Restricted for:				
Court use	125	101	88	70
Animal shelter	-	6	12	8
PEG fees	-	13	15	5
Assigned for:				
Police	17	19	11	11
Unassigned	3,557	3,635	3,965	5,155
Total general fund	\$ 3,699	\$ 3,774	\$ 4,091	\$ 5,278
All other governmental funds				
Restricted for:				
Debt service	\$ 844	\$ 836	\$ 836	\$ 860
Capital improvements	3,771	3,427	1,958	1,780
Assigned for				
Capital projects	-	-	-	-
Total all other governmental funds	\$ 4,615	\$ 4,263	\$ 2,794	\$ 2,640

Source: Annual Comprehensive Financial Report

Table 4

		Fiscal Year							
		2017	2018	2019	2020	2021	2022		
\$	61	\$	1	\$	22	\$	-	\$	-
	73		64		65		41		36
	7		11		11		11		11
	5		14		14		28		38
	16		9		1		36		35
	5,036		5,869		6,390		8,131		9,421
									10,978
\$	5,198	\$	5,968	\$	6,503	\$	8,247	\$	9,541
									\$
									11,095
\$	903	\$	934	\$	966	\$	877	\$	759
	1,320		13,983		8,798		15,910		6,111
	-		-		-		-		-
\$	2,223	\$	14,917	\$	9,764	\$	16,787	\$	6,870
									\$
									8,030

City of Murphy, Texas

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years (Unaudited)

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

	Fiscal Year			
	2013	2014	2015	2016
REVENUES				
Taxes				
Property	\$ 8,950	\$ 9,365	\$ 9,892	\$ 10,483
Sales	1,299	1,625	1,801	2,006
Franchise	856	970	1,041	1,029
Charges for services	1,595	1,633	1,647	1,739
Licenses and permits	891	689	521	941
Fines and forfeitures	442	367	370	304
Investment income	17	12	11	26
Grant revenue	1,133	640	2,816	620
Intergovernmental	1,212	1,095	717	765
Donations	23	84	11	4
Miscellaneous	295	400	67	779
Total revenues	16,713	16,880	18,894	18,696
EXPENDITURES				
General government	2,669	2,552	3,060	4,250
Public safety	4,974	5,267	5,683	5,876
Public works	240	307	285	231
Public service and operations	783	624	668	646
Sanitation	698	721	756	761
Development	131	110	152	119
Parks and Recreation	1,096	1,128	1,137	1,118
Capital outlay	6,232	3,330	4,862	2,978
Debt service				
Principal retirement	2,914	2,874	3,095	3,235
Interest and fiscal charges	1,317	1,244	1,198	1,099
Other	-	-	-	-
Total expenditures	21,054	18,157	20,896	20,313
Excess (deficiency) of revenues over (under) expenditures	(4,341)	(1,277)	(2,002)	(1,617)
OTHER FINANCING SOURCES (USES)				
Bonds/notes proceeds	-	150	-	1,800
Premium (discount) on issuance of debt	-	-	-	-
Payments to escrow agent	-	-	-	-
Capital leases/Financed purchases	-	-	-	-
Transfers in	850	850	850	851
Transfers out	-	-	-	(1)
Total other financing sources (uses)	850	1,000	850	2,650
NET CHANGE IN FUND BALANCES	\$ (3,491)	\$ (277)	\$ (1,152)	\$ 1,033
Debt service as a percentage of noncapital expenditures	28.52%	28.52%	26.41%	24.92%

Source: Annual Comprehensive Financial Report

Table 5

		Fiscal Year									
		2017	2018	2019	2020	2021	2022				
\$	11,179	\$	11,805	\$	12,287	\$	12,857	\$	13,087	\$	13,532
	2,001		1,986		2,144		2,927		3,474		3,612
	992		975		1,012		956		912		966
	1,766		1,866		1,829		1,780		2,002		1,923
	560		485		531		571		339		383
	360		298		261		215		394		345
	49		81		94		76		122		122
	999		15		-		-		-		-
	821		694		882		1,261		759		695
	2		8		1		4		1		12
	1,254		88		181		736		101		209
	19,983		18,301		19,222		21,383		21,191		21,799
	4,831		3,999		4,285		4,313		5,412		4,758
	6,219		6,346		6,681		6,684		6,502		6,784
	271		235		300		271		263		235
	675		537		738		705		766		810
	770		880		979		1,007		1,034		1,725
	153		143		-		-		-		-
	1,493		1,482		1,660		1,738		1,528		1,054
	2,455		1,421		5,180		4,302		10,239		2,448
	3,410		3,215		3,370		3,677		3,747		4,146
	1,039		931		1,523		1,177		1,295		1,042
	14		288		-		180		121		41
	21,330		19,477		24,716		24,054		30,907		23,043
	(1,347)		(1,176)		(5,494)		(2,671)		(9,716)		(1,244)
	-		13,845		-		9,915		8,850		3,050
	-		558		-		400		1,010		-
	-		-		-		-		(9,908)		-
	-		-		-		269		268		120
	850		928		875		900		900		925
	-		(543)		-		(45)		(28)		(137)
	850		14,788		875		11,439		1,092		3,958
\$	(497)	\$	13,612	\$	(4,619)	\$	8,768	\$	(8,624)	\$	2,714
	30.47%		23.13%		25.53%		25.13%		25.82%		26.39%

City of Murphy, Texas

Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years (Unaudited)
 (Amounts Expressed in Thousands)

Table 6

Fiscal Year	Real Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value ⁽¹⁾	Total Direct Tax Rate	Estimated Actual Taxable Value ⁽¹⁾	Total Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property					
2013	\$ 1,374,719	\$ 210,457	\$ 40,516	\$ 1,544,660	0.5700	\$ 1,544,660	100.00%
2014	1,456,899	231,165	49,666	1,638,398	0.5700	1,638,398	100.00%
2015	1,600,864	253,386	53,625	1,800,625	0.5500	1,800,625	100.00%
2016	1,788,854	259,811	73,647	1,975,018	0.5300	1,975,018	100.00%
2017	2,021,044	280,198	109,172	2,192,070	0.5100	2,192,070	100.00%
2018	2,116,829	309,553	72,653	2,353,729	0.5000	2,353,729	100.00%
2019	2,251,389	326,713	73,867	2,504,235	0.4900	2,504,235	100.00%
2020	2,247,998	364,079	6,052	2,606,025	0.4950	2,606,025	100.00%
2021	2,282,603	368,159	-	2,650,762	0.4950	2,650,762	100.00%
2022	2,312,282	373,291	-	2,685,573	0.4950	2,685,573	100.00%

Source: Collin County Appraisal District

<https://www.collincad.org/downloads/viewcategory/44-certified-totals>

Note: Property is reassessed annually. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

City of Murphy, Texas

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

Table 7

Fiscal Year Ended September 30,	City Direct Rates			Overlapping Rates*			
	General Fund	General Obligation Debt Service	Total Direct Rate	Plano Independent School District	Wylie Independent School District	Collin County	Collin County College District
2013	0.329495	0.240505	0.570000	1.373400	1.640000	0.240000	0.086230
2014	0.341500	0.228500	0.570000	1.453000	1.640000	0.237500	0.083600
2015	0.336270	0.213730	0.550000	1.448000	1.640000	0.235000	0.082000
2016	0.333221	0.196779	0.530000	1.439000	1.640000	0.208395	0.082111
2017	0.327749	0.182251	0.510000	1.439000	1.640000	0.192246	0.079810
2018	0.317750	0.182250	0.500000	1.439000	1.640000	0.192246	0.079810
2019	0.308383	0.181617	0.490000	1.337350	1.538400	0.174951	0.081222
2020	0.309856	0.185144	0.495000	1.323750	1.520500	0.172531	0.081222
2021	0.310185	0.184815	0.495000	1.320750	1.459800	0.168087	0.081222
2022	0.290594	0.174406	0.465000	1.259750	1.397900	0.152443	0.081220

Source: Collin County Appraisal District

https://www.collincad.org/ccad/reports/rates_exemptions.php?year=2022

*Overlapping rates are those of local and county governments that apply to property owners within the City of Murphy.

City of Murphy, Texas
Principal Property Tax Payers
Current Year and Ten Years Ago (Unaudited)

Table 8

Taxpayer	2022			2012			
	Assessed Taxable Value	Rank	Percentage of Assessed Taxable Value	Assessed Taxpayer Value	Assessed Taxable Value	Rank	Percentage of Assessed Taxable Value
MURPHY MARKETPLACE STATION LLC	\$ 64,572	1	2.44%	ALLEN & LOUCKS VENTURE LP	\$ 26,213	1	1.68%
WAL-MART REAL ESTATE BUSINESS TRUST	15,236	2	0.57%	LOWE'S HOME CENTERS INC	16,279	2	1.09%
MURPHY CROSSING SHOPPING CENTER DALLAS TX LP	14,366	3	0.54%	MURPHY CROSSING SHOPPING CENTER DALLAS TX LP	9,946	3	0.66%
LOWE'S HOME CENTERS INC	11,200	4	0.42%	ALLEN & LOUCKS VENTURES LP	9,794	4	0.61%
HTA-MURPHY MEDICAL CENTER LLC	11,061	5	0.42%	WAL-MART REAL ESTATE BUSINESS TRUST	6,298	5	0.37%
NSA PROPERTY HOLDINGS LLC	9,677	6	0.37%	FORESTAR (USA) REAL ESTATE GROUP INC	5,664	6	0.36%
WELLTOWER TCG RIDEA LANDLORD LLC	9,139	7	0.34%	MURPHY STORAGE PARTNERS LLC	5,365	7	0.35%
TIMBER RIDGE CENTER LLC	8,417	8	0.32%	CHAMPION LANGFORD PARTNERS	5,308	8	0.34%
NSA PROPERTY HOLDINGS LLC	7,348	9	0.28%	WAL-MART TEXAS LP	4,857	9	0.33%
ATMOS ENERGY/MID-TEX DISTRIBUTION	6,890	10	0.26%	ABS TX INVESTOR LP	4,700	10	0.32%
Total	\$ 157,906		5.96%	Total	\$ 94,424		6.11%

Source: Collin Central Appraisal District

<https://www.collincad.org/downloads/viewcategory/46-top-taxpayer-reports>

City of Murphy, Texas
Property Tax Levies And Collections
Last Ten Fiscal Years (Unaudited)

Table 9

Fiscal Year Ended	Original Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years ¹	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	8,782	8,766	99.82%	19	8,785	100.03% *
2014	9,325	9,298	99.71%	14	9,312	99.86%
2015	9,888	9,870	99.82%	3	9,873	99.85%
2016	10,448	10,424	99.77%	62	10,486	100.36% *
2017	10,751	11,125	103.48%	57	11,182	104.01% *
2018	11,373	11,763	103.73%	34	11,797	103.73% *
2019	11,833	12,247	103.50%	44	12,291	103.87% *
2020	12,465	12,861	103.18%	2	12,863	103.19% *
2021	13,040	13,105	100.50%	(10)	13,095	100.42%
2022	13,294	13,522	101.72%	16	13,538	101.84%

Source: Collin County Tax Assessor-Collector

¹ The subsequent year collections are updated at the end of the following year.

* These years of levies have had adjustments that create collections greater than the original levy.

City of Murphy, Texas
 Enterprise Fund Revenues
 Last Ten Fiscal Years (Unaudited)
 (Amounts Expressed in Thousands)

Table 10

<u>Fiscal Year</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm Water</u>	<u>Total</u>
2013	\$ 4,736	\$ 1,427	\$ -	\$ 6,163
2014	4,297	2,271	-	6,568
2015	5,338	2,811	-	8,149
2016	6,177	3,103	-	9,280
2017	5,947	3,493	-	9,440
2018	7,313	3,798	-	11,111
2019	7,170	3,835	230	11,235
2020	8,032	4,010	321	12,363
2021	7,843	3,856	310	12,009
2022	8,778	4,116	327	13,221

Source: Annual Comprehensive Financial Report

City of Murphy, Texas

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

Table 11

Fiscal Year	Governmental Activities						Business-Type Activities					Total Primary Government	Percentage of Personal Income ^b	Per Capita
	General Obligation Bonds	Direct Obligation Notes	Gen Oblig & Refunding Bonds	Capital Leases	Tax Note	Issuance Premiums	Revenue Bonds	Certificates of Obligation	Capital Leases	Tax Note	Issuance Premiums			
2013	\$ 2,655	\$ 340	\$ 32,292	\$ 14	\$ 2,305	\$ 1,647	\$ 60	\$ 6,924	\$ -	\$ -	\$ 44	\$ 46,281	7.19%	\$ 2,320
2014	5,690	-	25,265	-	2,705	1,511	-	6,560	-	-	41	41,772	5.02%	1,950
2015	4,725	-	23,730	-	2,100	1,524	-	9,000	-	-	188	41,267	4.83%	1,958
2016	3,720	-	22,120	-	3,280	1,381	-	8,550	-	-	177	39,228	4.58%	1,747
2017	3,510	-	19,795	-	2,405	1,237	-	8,085	-	-	166	35,198	3.55%	1,528
2018	3,295	-	30,160	-	2,885	1,637	-	13,130	-	-	295	51,402	5.18%	2,189
2019	3,070	-	27,760	-	2,140	1,467	-	12,505	-	-	278	47,220	4.37%	1,990
2020	2,840	-	33,215	242	3,180	1,704	-	11,795	-	-	260	53,236	5.38%	2,583
2021	-	-	32,170	338	2,575	2,261	-	10,705	-	-	596	48,645	4.59%	2,315
2022	-	343	28,770	-	4,995	1,956	-	9,950	-	2,425	534	48,973	4.56%	2,326

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

(1) See Table 16 for personal income and population data.

(2) See Long Term Debt rollforward schedule

City of Murphy, Texas**Table 12**

Ratio of Net General Bonded Debt Outstanding

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

Fiscal Year	General Obligation Bonds	Less: Available Debt Service Funds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2013	\$ 37,252	762	\$ 36,490	2.36%	\$ 1,576
2014	35,171	698	34,473	1.75%	1,392
2015	32,079	716	31,363	1.74%	1,482
2016	35,948	747	35,201	1.78%	1,571
2017	32,794	804	31,990	1.46%	1,389
2018	33,455	1,134	32,321	1.37%	1,403
2019	32,297	898	31,399	1.25%	1,337
2020	37,759	692	37,067	1.41%	1,562
2021	34,431	646	33,785	1.27%	1,639
2022	30,726	651	30,075	0.97%	1,419

Source: Annual Comprehensive Financial Report

City of Murphy, Texas

Direct and Overlapping Governmental Activities Debt
 Last Ten Years (Unaudited) – Amounts Expressed in Thousands

Table 13

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^d</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Collin County	\$ 543,645,000	1.59%	\$ 8,643,956
Collin County Community College District	498,565,000	1.59%	7,927,184
Plano Independent School District	492,195,000	2.88%	14,175,216
Wylie Independent School District	419,993,687	10.52%	44,183,336
Subtotal, overlapping debt	<u>\$ 1,954,398,687</u>		<u>74,929,692</u>
City of Murphy		100.00%	<u>36,064,209</u>
Total direct and overlapping debt			<u>\$ 110,993,901</u>

Source: Municipal Advisory Council of Texas

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

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

City of Murphy, Texas
 Legal Debt Margin Information
 Last Ten Years (Unaudited)
 (Amounts Expressed in Thousands)

Table 14

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 161,055	\$ 168,806	\$ 185,425	\$ 204,867	\$ 230,124	\$ 242,630	\$ 257,810	\$ 261,208	\$ 265,076	\$ 309,025
Total net debt applicable to limit	34,761	29,976	32,080	39,228	35,199	48,634	33,472	39,966	36,247	35,075
	<u>\$ 126,294</u>	<u>\$ 138,830</u>	<u>\$ 153,345</u>	<u>\$ 165,639</u>	<u>\$ 194,925</u>	<u>\$ 193,996</u>	<u>\$ 224,338</u>	<u>\$ 221,242</u>	<u>\$ 228,829</u>	<u>\$ 273,950</u>
Total net debt applicable to the limit as a percentage of debt limit	21.58%	17.76%	17.30%	19.15%	15.30%	20.04%	12.98%	15.30%	13.67%	11.35%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	\$ 3,090,248
Add back: exempt real property	-
Total assessed value	<u>\$ 3,090,248</u>
Debt limit (10% of total assessed value)	\$ 309,025
Debt applicable to limit:	
Long term bonds	35,721
Less: amounts set aside for repayment of long term bonds	(646)
Total net debt applicable to limit	<u>\$ 35,075</u>
Legal debt margin	<u>\$ 273,950</u>

City of Murphy, Texas**Table 15**

Pledged-Revenue Coverage
 Last Ten Fiscal Years (Unaudited)
 (Amounts Expressed In Thousands)

Water and Sewer System Revenue Bonds							
Fiscal Year	Utility Services Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Requirements		Times Coverage	
				Principal	Interest		
2013	\$ 7,075	\$ 5,656	\$ 1,419	\$ 380	\$ 275	2	
2014	7,218	5,215	2,003	330	262	3	
2015	8,652	5,706	2,946	450	342	4	
2016	9,034	6,505	2,529	450	342	3	
2017	9,484	6,959	2,525	480	315	3	
2018	11,231	7,812	3,419	625	558	3	
2019	11,229	8,536	2,693	710	470	2	
2020	12,083	8,836	3,247	740	443	3	
2021	11,702	8,961	2,741	755	347	2	
2022	13,046	8,694	4,352	1,100	392	3	

Notes: Operating expenses excludes depreciation; utility service charges includes investment income.

City of Murphy, Texas
Demographic and Economic Statistics
Last Ten Calendar Years (Unaudited)

Table 16

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Level in Years of Formal Schooling</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2013	19,950	643,946,100	32,278	35.4	14.0	67,839	5.8%
2014	20,625	801,466,875	38,859 ****	35.6	72.98% ***	6,466 **	4.7% *
2015	21,078	819,069,742	39,785 ****	36.0	80.85% ***	5,646 **	3.6% *
2016	22,447 ****	853,187,650 ****	35,057 ****	35.9 ****	79.84% ***	5,022 **	3.5% *
2017	23,032 ****	991,690,908 ****	41,738 ****	36.3 ****	78.16% ***	5,062 **	3.5% *
2018	23,477	991,690,908	42,241	36.0	76.50%	5,062	3.2% *
2019	23,725	1,080,616,383	45,548	36.0	76.40%	5,100	3.0%
2020	20,612	990,138,644	48,037	37.9	81.20%	5,144	5.5%
2021	21,013	1,059,853,694	50,438	35.5	77.90%	5,109	3.1%
2022	21,200	1,073,016,800	50,614	35.9	78.53%	5,136	3.0%

Sources: * Average rate for Collin County for 2018 according to Texas Workforce Commission (www.tracer2.com)

**This is an actual total of students from Murphy enrolled in PISD and WISD (per PISD and WISD)

***Percentage of residents that have completed college or higher level of education

(Data was provided by The Retail Coach)

****Data was provided by The Retail Coach

FY 2014 - 2019 source of data is the Retail Coach

City of Murphy, Texas
Principal Area Employers
Current Year and Nine Years Ago (Unaudited)

Table 17

Employer	2022			Employer	2013		
	No. of Employees	Rank	Percentage of Total City Employment		No. of Employees	Rank	Percentage of Total City Employment
Walmart	385	1	8.31%	Lowe's	113	1	1.61%
Lowe's Home Improvement	112	2	2.42%	Neighborhood Walmart	104	2	1.48%
McMillen High School	110	3	2.37%	City of Murphy	102	3	1.46%
City of Murphy	106	4	2.29%	24 Hour Fitness	100	4	1.43%
24 Hour Fitness	101	5	2.18%	McMillen High School	98	5	1.40%
Murphy Middle School	100	6	2.16%	Murphy Middle School	79	6	1.13%
Bogges Elementary School	80	7	1.73%	Bogges Elementary	73	7	1.04%
Albertson's	73	8	1.58%	Tibbels Elementary School	60	8	0.86%
Hunt Elementary School	66	9	1.42%	Hunt Elementary School	55	9	0.78%
Tibbals Elementary School	60	10	1.29%	Chick-fil-A	55	10	0.78%

Source: Texas Workforce Commission

City of Murphy, Texas

Table 18

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	16	19	21	24	29	21	22	23	21	23
Public safety										
Police										
Officers	22	24	24	24	24	25	21	20	24	24
Civilians	11	11	11	11	11	6	11	10	8	11
Fire										
Firefighters and officers	22	24	24	24	24	23	24	23	21	24
Civilians	1	1	1	1	1	1	1	1	1	1
Animal Control	2	2	2	2	2	2	2	2	2	2
Public Service										
Municipal Court	3	4	4	3	4	4	4	3	3	3
Cultural and Recreation	12	13	13	15	15	15	16	14	15	17
Water										
Administration	6	6	6	6	1	5	5	5	5	5
Water	10	10	10	9	9	11	12	9	9	8
Wastewater	1	1	1	1	1	1	1	1	1	3
Stormwater	-	-	-	-	-	-	-	-	-	4
Bond Projects	-	-	-	-	-	2	2	1	1	1
Total	<u>106</u>	<u>115</u>	<u>117</u>	<u>120</u>	<u>121</u>	<u>116</u>	<u>121</u>	<u>112</u>	<u>111</u>	<u>126</u>

Source: City Departments

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City of Murphy, Texas

Operating Indicators by Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	Fiscal Year			
	2013	2014	2015	2016
Police				
Physical arrests	374	346	198	217
Traffic violations	3,217	3,140	2,903	3,247
Fire				
Number of calls answered	1,202	1,204	1,301	1,449
Inspections	314	224	137	183
Water				
New connections	130	98	97	79
Average daily consumption (gallons) (thousands of gallons)	2,719	2,156	2,685	2,647
Wastewater				
Average daily sewage treatment (thousands of gallons)	1,704	1,566	2,518	2,473

Source: Various government departments and North Texas Municipal Water District

Notes: Indicators are not available for the general government function
Sanitation services are provided by contractor

Table 19

Fiscal Year					
2017	2018	2019	2020	2021	2022
184	180	258	145	167	162
3,483	2,694	2,669	2,219	2,373	2,819
1,332	1,424	1,379	1,167	1,578	1,492
334	191	274	201	274	351
22	22	75	63	60	60
3,600	4,219	2,359	2,818	3,889	3,889
1,913	2,012	1,959	2,070	2,077	2,077

City of Murphy, Texas

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

Table 20

FUNCTION	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units/CID vehicles	21	19	19	20	21	19	20	20	20	20
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Engines	2	2	2	2	2	2	2	2	2	2
Ambulances	2	2	3	3	3	3	3	3	3	3
Vehicles	3	5	5	5	5	5	5	5	5	5
Public works										
Streets (miles)	82.5	82.5	82.5	82.5	82.5	102.1	103.75	103.89	100.22	100.22
Culture & Recreation										
Parks acreage	285	322	322	322	322	322	322	322	322	322
Parks	9	10	10	10	10	10	10	10	10	10
Community center	1	1	1	1	1	1	1	1	1	1
Water										
Water lines (miles)	93.8	94.3	94.6	94.9	95.0	95.0	95.2	99.3	99.3	99.3
Fire hydrants	934	942	949	1,067	1,067	1,068	1,091	1,103	1,103	1,103
Wastewater										
Sanitary sewers (miles)	84.6	84.6	85.0	85.3	85.0	85.2	89.3	99.4	90.7	90.7

Sources: City departments, North Texas Water Municipal District

Note: No capital asset indicators are available for the general government function.

City of Murphy, Texas

Valuations, Exemptions and General Obligation Debt
 For the Fiscal Year Ended September 30, 2022
 (Unaudited)

Table 1CD

2021-2022 Market Valuation Established by Collin County Appraisal District (excluding totally exempt property & Homestead Cap. Adj.)		\$	77,473,646
Less Exemptions/reductions at 100% market value:			
Agricultural/open space land use	\$	6,741,562	
Homestead cap		2,720,741	
Over 65 and disabled		47,480,322	
Disabled veterans		16,531,021	
Disabled persons		4,000,000	77,473,646
			<hr/>
2021-2022 Taxable assessed valuation		\$	<u>2,735,807,528</u>
General debt payable from ad valorem taxes		\$	46,482,874
General interest and sinking fund as of September			<u>651,244</u>
Ratio general tax debt to taxable assessed valuation			1.70%
2022 estimated population			21,200
Per capita taxable assessed valuation	\$	129,048	
Per capita net funded debt payable from ad valorem taxes	\$	2,193	

Note: Collin Central Appraisal District - 2021 Certified Roll

City of Murphy, Texas

Tax Rate Levy and Collection History
 Last Ten Fiscal Years
 (Unaudited)

Table 2CD

Fiscal Year	Tax Rate	General Fund	Interest and Sinking Fund	Original Tax Levy¹	Tax Collected Within the Fiscal Year¹	% of Levy Collected
2013	0.5700	0.3295	0.2405	\$ 8,782,666	\$ 8,766,872	99.82
2014	0.5700	0.3415	0.2285	9,325,685	9,298,490	99.71
2015	0.5500	0.3363	0.2137	9,887,932	9,869,763	99.82
2016	0.5300	0.3332	0.1970	10,451,946	10,424,029	99.73
2017	0.5100	0.3228	0.1823	11,117,000	11,089,213	99.75
2018	0.5000	0.3178	0.1823	11,372,797	11,797,340	103.73
2019	0.4900	0.3084	0.1816	11,832,657	12,291,120	103.87
2020	0.4950	0.3151	0.1799	12,464,567	12,862,615	103.19
2021	0.4950	0.3099	0.1851	13,039,851	13,104,843	100.50
2022	0.4950	0.3102	0.1848	13,293,586	13,521,938	101.72

Source:¹ Collin Central Appraisal District

City of Murphy, Texas

General Obligation Debt Service Requirements
 For the Fiscal Year Ended September 30, 2022
 (Unaudited)

Table 3CD

Fiscal Year	Outstanding Debt			% of Principal Retired
	Principal	Interest	Total	
2023	\$ 4,493,613	1,003,058	\$ 5,496,671	13.17%
2024	3,597,241	859,466	4,456,707	10.55%
2025	2,699,659	767,535	3,467,194	7.92%
2026	2,552,361	694,778	3,247,139	7.48%
2027	2,630,000	613,488	3,243,488	7.71%
2028	2,455,000	524,543	2,979,543	7.20%
2029	2,545,000	433,950	2,978,950	7.46%
2030	1,720,000	357,134	2,077,134	5.04%
2031	1,475,000	302,624	1,777,624	4.32%
2032	1,170,000	261,249	1,431,249	3.43%
2033	1,210,000	225,549	1,435,549	3.55%
2034	1,240,000	190,669	1,430,669	3.64%
2035	1,275,000	156,614	1,431,614	3.74%
2036	1,310,000	120,833	1,430,833	3.84%
2037	1,350,000	83,221	1,433,221	3.96%
2038	1,385,000	44,287	1,429,287	4.06%
2039	495,000	18,565	513,565	1.45%
2040	505,000	6,313	511,313	1.48%
	<u>\$ 34,107,874</u>	<u>\$ 6,663,876</u>	<u>\$ 40,771,750</u>	

City of Murphy, Texas

Governmental Fund Revenues and Expenditure History

Governmental Funds

Last Ten Fiscal Years

(Unaudited)

(Amounts Expressed in Thousands)

	Fiscal Year			
	2013	2014	2015	2016
REVENUES				
Taxes	\$ 11,105	\$ 11,960	\$ 12,734	\$ 13,518
Permits and licenses	891	688	521	941
Charge for services	1,595	1,633	1,647	1,739
Fines and forfeitures	442	367	370	304
Investment income	17	12	11	26
Grants	1,133	640	2,816	620
Intergovernmental revenue	1,211	1,095	717	765
Donations	23	84	11	4
Miscellaneous	295	400	67	779
Total revenues	\$ 16,712	\$ 16,879	\$ 18,894	\$ 18,696
EXPENDITURES				
General government	\$ 2,669	\$ 2,552	\$ 3,060	\$ 4,250
Public safety	4,974	5,267	5,683	5,876
Public works	241	307	285	231
Sanitation	697	721	756	761
Public service and operations	783	624	668	646
Parks and recreation	1,096	1,127	1,137	1,118
Development	131	113	152	119
Capital outlay	6,232	3,330	4,862	2,978
Debt service	4,230	4,118	4,293	4,334
Total expenditures	\$ 21,053	\$ 18,159	\$ 20,896	\$ 20,313

Table 4CD

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 14,172	\$ 14,767	\$ 15,443	\$ 16,740	\$ 17,473	\$ 18,110
560	485	531	571	339	383
1,766	1,866	1,829	1,780	2,002	1,923
360	298	261	215	394	345
49	81	94	76	122	122
999	15	-	-	-	-
821	694	882	1,261	759	695
2	8	1	4	1	13
1,253	87	181	736	101	209
<u>\$ 19,982</u>	<u>\$ 18,301</u>	<u>\$ 19,222</u>	<u>\$ 21,383</u>	<u>\$ 21,191</u>	<u>\$ 21,800</u>
\$ 4,831	\$ 3,999	\$ 4,285	\$ 4,313	\$ 5,412	\$ 4,758
6,219	6,346	6,681	6,684	6,502	6,784
271	235	300	271	263	235
770	880	979	1,007	1,034	1,054
675	537	738	705	766	810
1,493	1,482	1,660	1,738	1,528	1,725
153	143	-	-	-	-
2,455	1,421	5,180	4,302	10,267	2,448
4,463	4,434	4,893	5,034	5,163	5,229
<u>\$ 21,330</u>	<u>\$ 19,477</u>	<u>\$ 24,716</u>	<u>\$ 24,054</u>	<u>\$ 30,935</u>	<u>\$ 23,043</u>

City of Murphy, Texas

Governmental Fund Revenues and Expenditure History

Governmental Funds

Last Ten Fiscal Years

(Unaudited)

(Amounts Expressed in Thousands)

	Fiscal Year			
	2013	2014	2015	2016
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (4,341)	\$ (1,280)	\$ (4,016)	\$ (1,617)
OTHER FINANCING SOURCES (USES)				
Bonds proceeds	\$ -	\$ 150	\$ -	\$ 1,800
Premium on bonds issued	-	-	-	-
Note proceeds	-	-	-	-
Capital leases	-	-	-	-
Payments to escrow agent	-	-	-	-
Debt issuance cost	-	-	-	-
Net transfers	850	850	850	850
Total other financing sources (uses)	\$ 850	\$ 1,000	\$ 850	\$ 2,650
BEGINNING FUND BALANCE	11,777	8,317	8,037	6,885
PRIOR YEAR ADJUSTMENT	31	-	-	-
ENDING FUND BALANCE	\$ 8,317	\$ 8,037	\$ 6,885	\$ 7,918

Table 4CD – Concluded

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (1,348)	\$ (1,176)	\$ (5,494)	\$ (2,671)	\$ (9,744)	\$ (1,243)
\$ -	\$ 13,845	\$ -	\$ 9,915	\$ 8,850	\$ 3,050
-	558	-	400	1,010	-
-	-	-	-	-	-
-	-	-	269	268	120
-	-	-	-	(9,908)	-
-	-	-	-	-	-
850	385	875	856	900	788
\$ 850	\$ 14,788	\$ 875	\$ 11,440	\$ 1,120	\$ 3,958
7,918	7,420	20,885	16,266	25,035	16,411
-	(147)	-	-	-	-
\$ 7,420	\$ 20,885	\$ 16,266	\$ 25,035	\$ 16,411	\$ 19,126

City of Murphy, Texas
Municipal Sales Tax History
Last Ten Fiscal Years
(Unaudited)

Table 5CD

Fiscal Year	City of Murphy	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2013	\$ 2,582,592	29.69%	0.1692	129
2014	3,212,366	34.45%	0.1964	156
2015	3,557,001	35.97%	0.1978	169
2016	3,920,231	37.40%	0.1982	201
2017	3,966,071	35.68%	0.1890	172
2018	3,942,840	34.67%	0.1675	168
2019	4,234,066	35.78%	0.1692	178
2020	4,664,653	37.42%	0.1790	226
2021	5,468,477	41.94%	0.2063	260
2022	5,700,072	42.88%	0.1845	269

City of Murphy, Texas

Cash and Investments for Primary Government
For the Fiscal Year Ended September 30, 2022
(Unaudited)

Table 6CD

<u>Type of Investment</u>		
Cash on hand	0.01%	\$ 1,150
Analyzed checking	99.99%	<u>42,991,385</u>
	<u>100.00%</u>	<u>\$ 42,992,535</u>

City of Murphy, Texas

Proprietary Funds Debt Service Requirements
 For the Fiscal Year Ended September 30, 2022
 (Unaudited)

Table 7CD

Fiscal Year	Outstanding Debt			% of Principal Retired
	Principal	Interest	Total	
2023	\$ 1,100,000	\$ 392,222	\$ 1,492,222	8.89%
2024	1,130,000	360,685	1,490,685	9.13%
2025	1,165,000	329,126	1,494,126	9.41%
2026	1,200,000	295,718	1,495,718	9.70%
2027	1,235,000	255,866	1,490,866	9.98%
2028	1,280,000	209,199	1,489,199	10.34%
2029	1,335,000	160,019	1,495,019	10.79%
2030	460,000	126,956	586,956	3.72%
2031	475,000	111,206	586,206	3.84%
2032	500,000	94,782	594,782	4.04%
2033	515,000	77,478	592,478	4.16%
2034	535,000	59,156	594,156	4.32%
2035	345,000	44,106	389,106	2.79%
2036	355,000	32,288	387,288	2.87%
2037	365,000	19,688	384,688	2.95%
2038	380,000	6,650	386,650	3.07%
	<u>\$ 12,375,000</u>	<u>\$ 2,575,145</u>	<u>\$ 14,950,145</u>	