

FY24



City of Murphy, Texas

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

**For the Fiscal Year Ended
September 30, 2024**

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City of Murphy, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024

Prepared by: City of Murphy, Texas Finance Department

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Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024
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Introductory Section

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February 27, 2025

To the Honorable Mayor Scott Bradley and City Council and Citizens of the City of Murphy:

State law requires that every local government publish an annual financial report within 180 days after the last day of the fiscal year. The City of Murphy's Annual Comprehensive Financial Report (ACFR) for the year ended September 30, 2024, 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.

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, 2024. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

General Information – City of Murphy

The City of Murphy, Texas incorporated in 1958, is in Collin County, the northeastern edge of the Dallas-Fort Worth metroplex. The City occupies 5.1 square miles and serves a population of approximately 21,219. 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 the administrative and operational duties of the City. The City Manager also establishes, directs, and supervises the administration of all departments of the City, apart from those offices outlined in the City Charter.

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



From the desk of
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MPA, ICMA-CM.

City Manager

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part of the primary government's operations. The Murphy Municipal Development District (MMDD) and the Murphy Community Development Corporation (MCDC) are included in the financial statements as discretely presented component units.

The City Manager is required by the 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 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 funds and department levels.

Local Economy

Murphy has evolved from a small, rural area to a bustling suburban community. The City's dedication to quality development, sound fiscal policies and effective management have made it a premier community. Murphy is consistently rated as one of the best suburbs in the DFW Metroplex by D Magazine and praised as a prime location for families and business alike with strong schools, an expansive parks system, a wide array of businesses and restaurants, as well as a friendly and relaxed atmosphere.

The median income of families in the City of Murphy consistently ranks in the top 20 of all Texas cities. With a population of more than 21,000, Murphy is also surrounded by the cities of Parker, Plano, Richardson, Sachse, and Wylie, all affluent areas. The City of Murphy benefits from an established and highly visible commercial district along FM 544, which sees nearly 55,000 cars per day. The Corridor at Murphy, as the district is known, is anchored by major brands, such as Wal-Mart, Lowes, Sprouts, and Chick-Fil-A, all providing a significant draw from within a retail trade area of over 200,000 residents. The retail trade area is the geographic region from which 80-85% of customers travel to spend money in the community. Murphy's trade area includes residents from Lucas, Parker, Sachse and Wylie as well as portions of Plano, Richardson, and Garland. Retail demand growth in the retail trade area is projected to grow by \$500 million to \$3.2 billion by 2030. Substantial residential growth to the north and west of Murphy are contributing to this growth in retail demand.

Two hundred eighty-eight (288) businesses operate with a physical location in Murphy. Murphy provides 1.72 million square feet of retail and office space. Commercial space added in 2024 totaled 18,000 square feet. Planned commercial projects to be completed within the next two years include an H-E-B grocery store with ~125,000 square feet of retail space, and an addition to Murphy Marketplace will add an additional ~63,000 square feet. The commercial occupancy rate remained stable at 98.1% with a net vacancy of 33,000 square feet.

Total housing units in 2024 were 6,125. These units are described as owner occupied, 90.2% or 5,525 units; renter occupied housing units, 9.8% or 600 units; vacant housing units, 1% or 55 units. The average home value realized in 2024 was \$619,642, up 6.3% since 2023. Three new residential single-family neighborhoods are being developed currently, totaling more than 150 lots. Murphy is starting to see redevelopment occur in older neighborhoods.

Long-term financial planning and major initiatives

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the General Fund at year end was 53% of total General Fund expenditures. The guiding policy for FY2023- 2024 sets the minimum General Fund requirement as 10% of total budgeted expenditures, with a goal of 15% of total expenditures. The Comprehensive Financial Policy approved January 21, 2025, established a minimum of regular General Fund operating expenditures at 20% with a targeted level between 20% and 25%. The FY2023-2024-year end amount exceeds the minimum target set by both policies. The fund balance increase above the targeted 20% is evaluated annually and used to reduce the amount that otherwise would be needed to borrow for future finance consideration.

The Council developed guiding principles for the economic development in Murphy in March 2021 as part of its strategic plan. The importance of core resiliency, quality of life, quality of City services and to be future-focused framed the strategic plan projects. These projects include the branding project, "The Corridor at Murphy", and a painted mural on the south wall of the Murphy Activity Center, completed June 2023. A FM544 Pedestrian Bridge and Trail connection has been approved with multiple funding sources totaling \$5,100,00. The arched pedestrian bridge will improve connectivity from the Murphy Corridor to the commercial area on the east side of Maxwell Creek as envisioned by the Council. \$420,651 was expensed as of September 2024.

Federal funding in the amount of \$5,089,651 was secured for the Waterline Loop Project from American Rescue Plan Act (ARPA) federal funds. The project will engineer and construct water main "loops" and flushing valves in the City's water distribution system to enhance water quality, improve fire protection, minimize water loss due to flushing, and reduce labor effort required to safely and properly manage the water distribution system. Project-related general engineering and surveying services, plus land acquisition to acquire easements are required to construct the new water main loops. The ARPA funds required all funds to be obligated by December 31, 2024 and spent by December 31, 2026. The Standard Allowance was approved by the Council on July 16, 2024, to exercise the revenue replacement category in the provision of government services in the amount of \$3,429,139 (Police Department Salaries, \$1,947,577; Fire Department Salaries, \$1,481,562) with total expenditures of \$4,270,810 for FY2023-2024. Obligated ARPA funds outstanding are \$172,940. The Waterline Loop Project remains a priority and an active Utility project. Necessary land and easement acquisition was a primary focus for FY2024-2025 as the project advances.

City of Murphy Code of Ordinances details a multi-year Capital Improvement Program, which serves as its planning document to ensure that its facilities, equipment, and infrastructure are well maintained and operating in peak condition. This process gives the City the ability to plan for its capital needs and allocate short and long-term resources appropriately. The fiscal year 2024-2025 Capital Improvement Program anticipates \$9,093,433 million in capital projects and improvements and financed by multiple funds. The Capital Improvement Program includes the Capital Improvement Fund, Capital Construction Fund, Utility Capital Construction Fund, Street Maintenance and Repair Fund and General Obligation Bond Fund.

A Vehicle Equipment Replacement Fund (VERF) was established in FY2024-2025 to set aside funds for future replacement of high dollar purchases and to reduce the single year impact of those purchases on the operating fund. The VERF will be utilized for replacement of existing vehicles and equipment in the General Fund. The Utility fund will be financed in the Utility Fund as needed. VERF funding was initiated as a transfer from the General Fund based on 2% of the operating total expenditure. In conjunction with the VERF, a vehicle lease program was approved. Benefits of the lease program include reduction of maintenance costs, and a five-year rotation of all lease vehicles. The Utility fund will contribute to the VERF the amount equal to the annual vehicle lease payments. Two (2) motor vehicles were authorized for replacement totaling \$180,500 in the Utility Fund. A growth vehicle was funded for the new position of Construction Inspector totaling \$51,500 split equally with the General Fund and the Utility Fund (\$25,500 each). Vehicle and equipment needs are discussed during each budget year.

Relevant financial policies

The City approved a Comprehensive Financial Management Policy in FY2024-2025 to ensure fiscal responsibility and sound financial decisions. The policy established budgetary, financial, purchasing, fund balance, fiscal management contingency and Investment guidelines; as well as short- and long-term decision-making guidelines for the operating funds, General Fund revenue, Utility Fund revenue, Debt Service revenue and expenditures. 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.

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 its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. This was the 20th consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

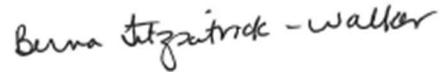
Acknowledgements

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance and Administration Department. We wish to thank all the City of Murphy departments for their assistance in providing the necessary data to prepare this report. Credit also is due to the Mayor and the Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Murphy's finances.

Respectfully submitted,



Aretha L. Adams, MPA
City Manager



Berna Fitzpatrick-Walker, CGFO
Finance Director



Government Finance Officers Association

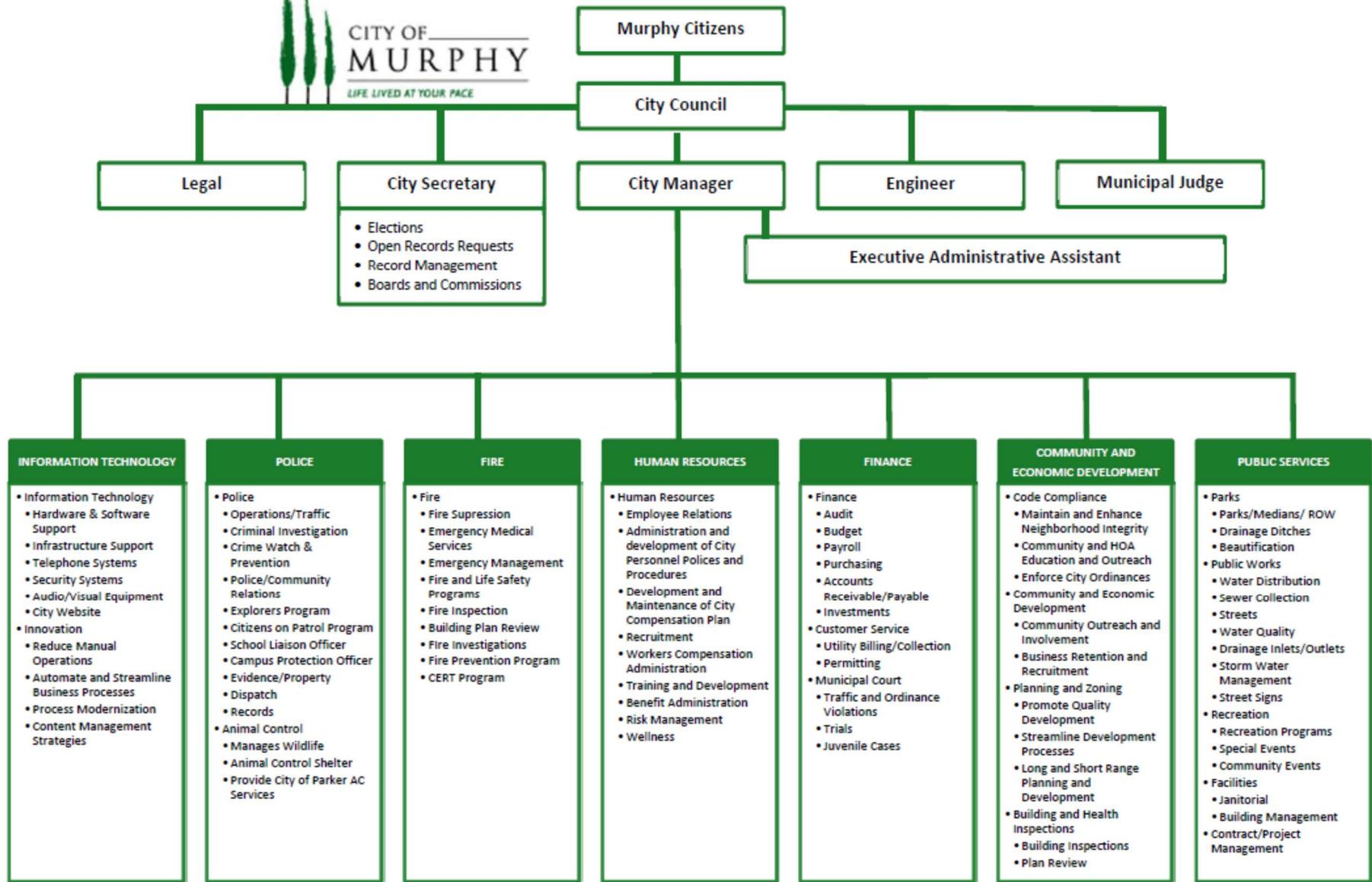
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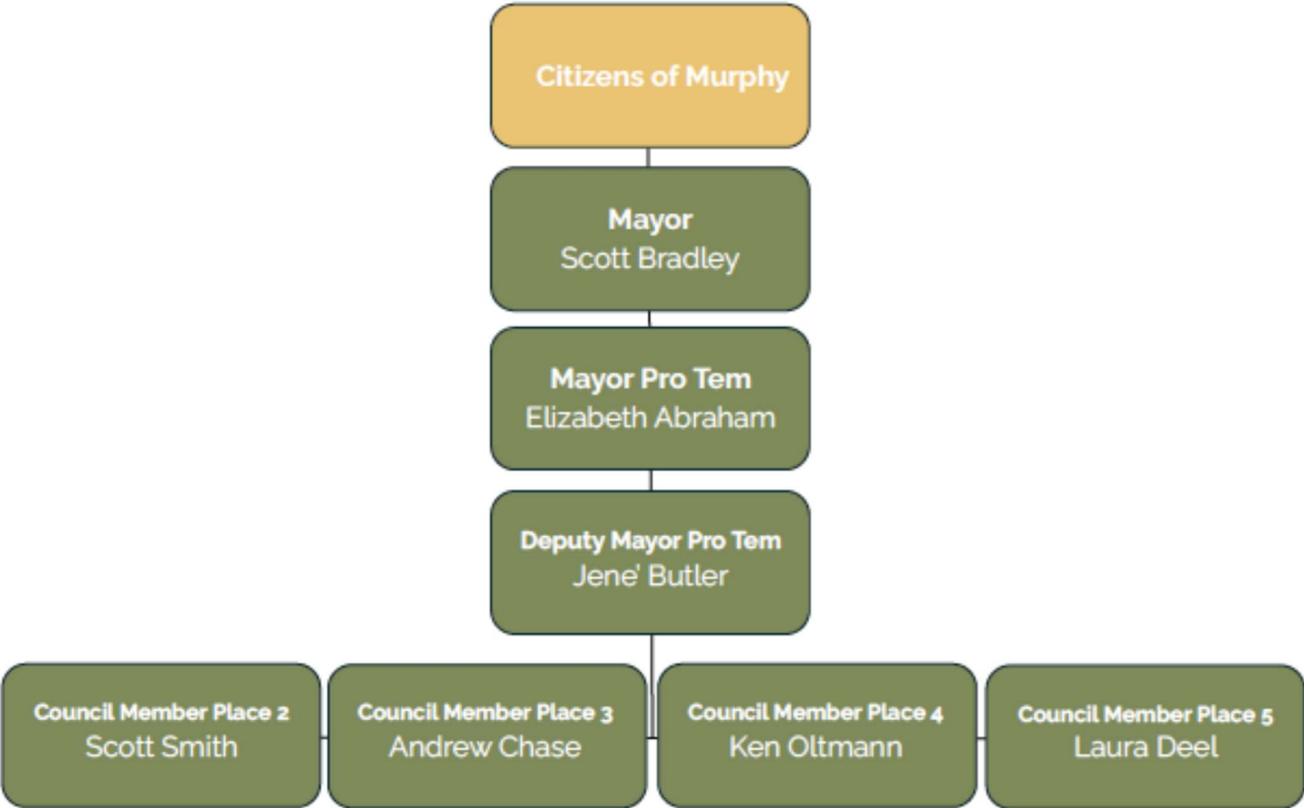
**City of Murphy
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023



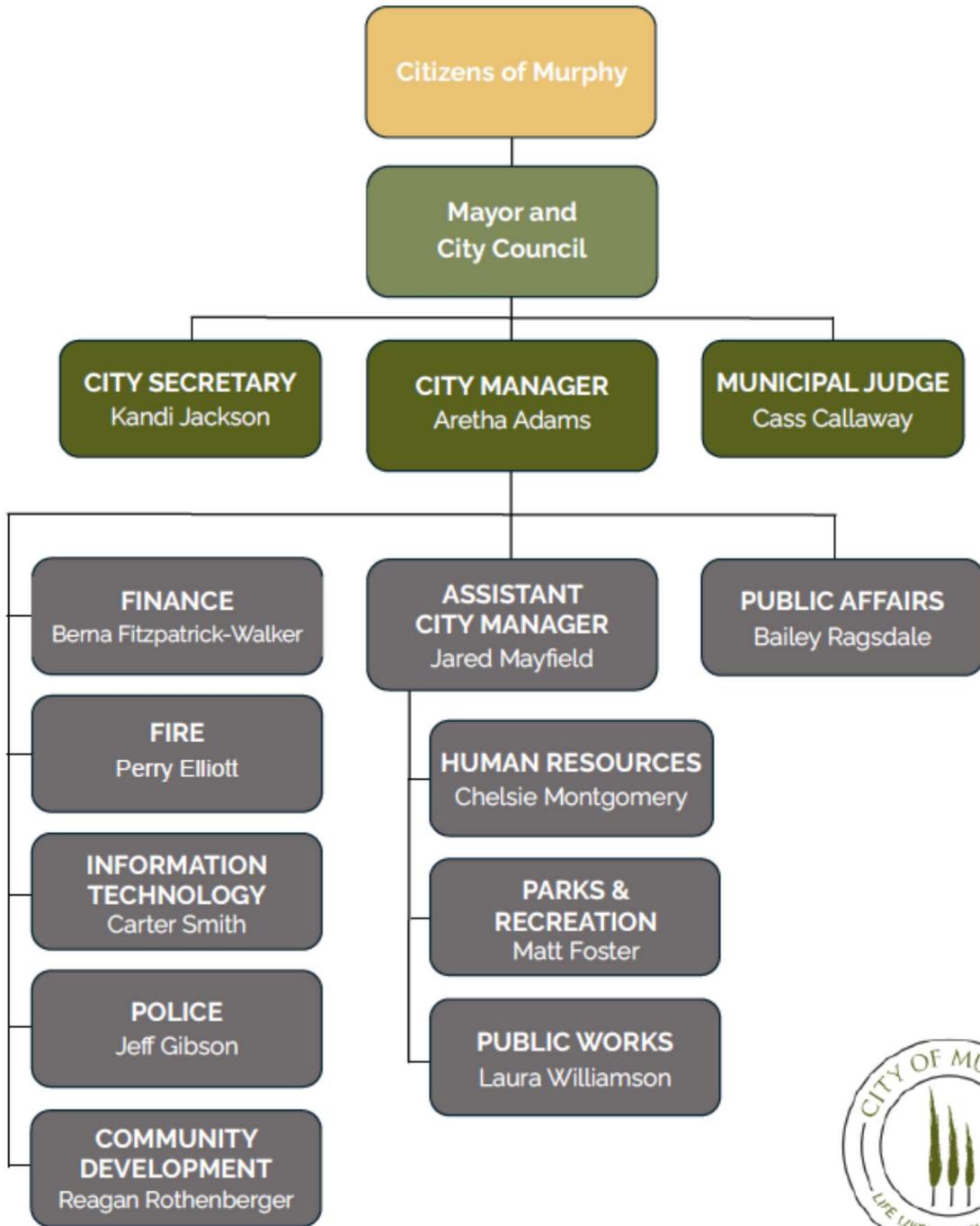
COUNCIL ORGANIZATIONAL CHART



*From left to right:
Butler, Oltmann,
Abraham, Bradley,
Deel, Chase, Smith.*



ORGANIZATIONAL CHART



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 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 (City) as of and for the year ended September 30, 2024, 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, 2024, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2025 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 the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Dallas, Texas
February 27, 2025

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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, 2024. 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 \$122,333,294 (net position). Of this amount, \$97,178,229 or 79% is the net investment in capital assets. Net position restricted for specific purposes is \$1,811,710. The remaining, \$23,343,355 (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 \$5,966,397, mainly due to increased water and sewer charges for services revenues as well as operating grants and contributions.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$18,294,293, a decrease of \$1,829,569 in comparison with the prior year. The decrease in fund balance of the General Fund, \$1,812,384, was primarily driven by net transfers to the water and sewer fund. Additionally, there was a decrease in fund balance of \$295,542 in the capital projects fund balance, the result capital outlay expenditures in the current year for new capital projects.
- Approximately 60% of governmental funds combined ending fund balance, or \$11,027,744, 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 \$11,027,744 was 53% percent of total General Fund expenditures for the fiscal year.
- The City's total outstanding long-term liabilities decreased by \$6,264,889 during the current fiscal year primarily due to current year payments of existing debt.

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	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 19,805,127	\$ 26,031,274	\$ 18,168,218	\$ 15,798,049	\$ 37,973,345	\$ 41,829,323
Capital assets	86,490,976	87,741,163	41,197,148	40,123,801	127,688,124	127,864,964
Total assets	106,296,103	113,772,437	59,365,366	55,921,850	165,661,469	169,694,287
Deferred outflows	1,752,497	2,763,969	375,110	391,295	2,127,607	3,155,264
Current liabilities	1,469,481	5,866,475	960,071	1,330,353	2,429,552	7,196,828
Noncurrent liabilities	31,485,167	36,435,880	11,077,189	12,391,365	42,562,356	48,827,245
Total liabilities	32,954,648	42,302,355	12,037,260	13,721,718	44,991,908	56,024,073
Deferred inflows	395,309	385,311	68,565	73,270	463,874	458,581
Net position						
Net investment in capital assets	64,618,744	62,331,388	32,559,485	30,687,463	97,178,229	93,018,851
Restricted	1,186,584	932,595	625,126	633,474	1,811,710	1,566,069
Unrestricted	8,893,315	10,584,757	14,450,040	11,197,220	23,343,355	21,781,977
Total net position	\$ 74,698,643	\$ 73,848,740	\$ 47,634,651	\$ 42,518,157	\$ 122,333,294	\$ 116,366,897

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 \$122,333,294 as of September 30, 2024. Of this amount, \$74,698,643 is recorded in the governmental activities and \$47,634,651 in the business-type activities. The City's net position increased by \$5,966,397 for the fiscal year ended September 30, 2024.

Net investment in capital assets. The largest portion of the City's net position (79%) 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) \$775,925 for debt service and, (b) \$1,035,785 for state/federal imposed and other restrictions.

Unrestricted net position. Unrestricted net position in the amount of \$23,343,355 is available to fund the City programs to citizens and creditors.

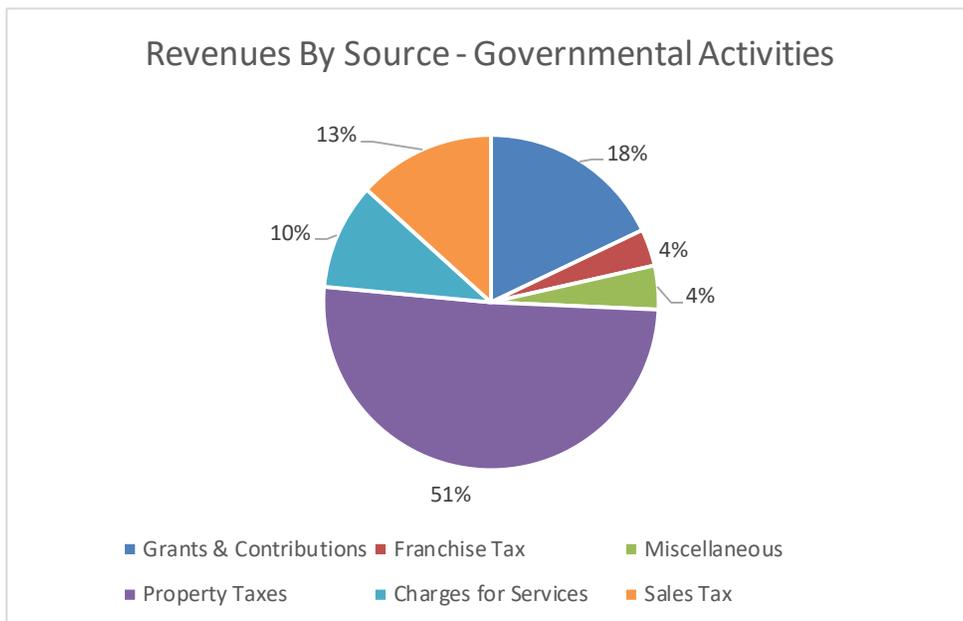
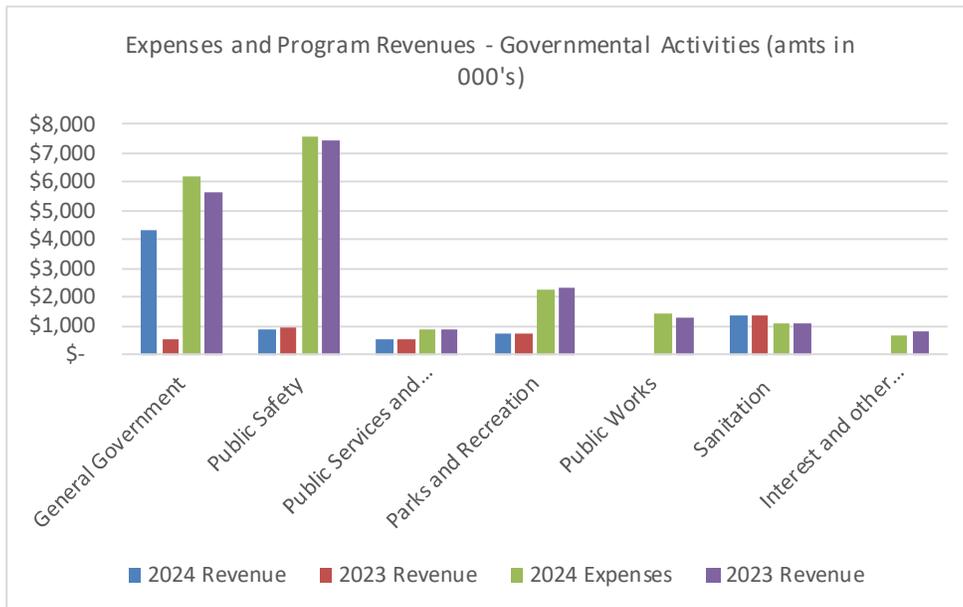
Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 2,797,954	\$ 2,885,607	\$ 14,546,220	\$ 14,196,487	\$ 17,344,174	\$ 17,082,094
Operating grants and contributions	4,886,819	922,553	-	-	4,886,819	922,553
Capital grants and contributions	-	151,858	52,980	278,531	52,980	430,389
General revenues:						
Property taxes	13,893,953	14,327,700	-	-	13,893,953	14,327,700
Sales taxes	3,624,540	3,713,506	-	-	3,624,540	3,713,506
Franchise taxes	975,956	1,023,756	-	-	975,956	1,023,756
Investment income	1,037,238	682,409	457,292	282,396	1,494,530	964,805
Other	116,743	47,492	1,758	4,457	118,501	51,949
Total revenues	27,333,203	23,754,881	15,058,250	14,761,871	42,391,453	38,516,752
Expenses						
General government	8,370,068	6,181,905	-	-	8,370,068	6,181,905
Public safety	8,773,798	7,568,325	-	-	8,773,798	7,568,325
Public services and operations	898,443	863,964	-	-	898,443	863,964
Parks and recreation	2,173,717	2,266,922	-	-	2,173,717	2,266,922
Public works	1,299,177	1,405,155	-	-	1,299,177	1,405,155
Development	-	-	-	-	-	-
Sanitation services	1,158,179	1,078,947	-	-	1,158,179	1,078,947
Interest on long-term debt	569,958	684,026	-	-	569,958	684,026
Water and sewer	-	-	12,929,304	11,915,074	12,929,304	11,915,074
Storm water	-	-	252,412	387,230	252,412	387,230
Total expenses	23,243,340	20,049,244	13,181,716	12,302,304	36,425,056	32,351,548
Increase in net position before transfers	4,089,863	3,705,637	1,876,534	2,459,567	5,966,397	6,165,204
Transfers	(3,239,960)	(151,429)	3,239,960	151,429	-	-
Change in net position	849,903	3,554,208	5,116,494	2,610,996	5,966,397	6,165,204
Net position at beginning of year	73,848,740	70,294,532	42,518,157	39,907,161	116,366,897	110,201,693
Net position at end of year	\$ 74,698,643	\$ 73,848,740	\$ 47,634,651	\$ 42,518,157	\$ 122,333,294	\$ 116,366,897

Governmental-type Activities. Governmental-type activities increased the City's net position by \$849,903, which is a \$2,704,305 decrease over the prior year. This is primarily due to increased investment income resulting from a change in the investment strategy. Investment income has been positively impacted by decreasing balances in DDA/MMA/NOW accounts, earning approximately 2.8%, and placing \$4 million in higher yielding options. These investment placements in certificates of deposits and investment pool earned an average yield of 4.9%, generating additional interest earnings. While some elements report increases, others decreased. The key changes in revenue and expense items when compared to the prior year are:

Property tax and sales tax experienced decreases; while grants and contributions and investment income experienced increases. Property tax collections decreased in relationship to a 3.18% decrease in the M&O rate, resulting in a \$433,747 decrease in revenue. Sales Tax revenue decreased \$88,966 or 2% compared to the prior year. Over the last 13 years, Sales tax has dipped 3 times, ranging -2% to -6%. Sales Tax revenues were projected flat for FY2024-2025 based on the historical trend of the last 4 years. An increase in operating grants and contributions of \$3,964,266 is due primarily to recognition of ARPA grant revenue. An increase in investment income of \$354,289 is the result of the investment strategy to increase placements in certificate of deposits and investment pools. These placements earned an average yield of 4.9%.

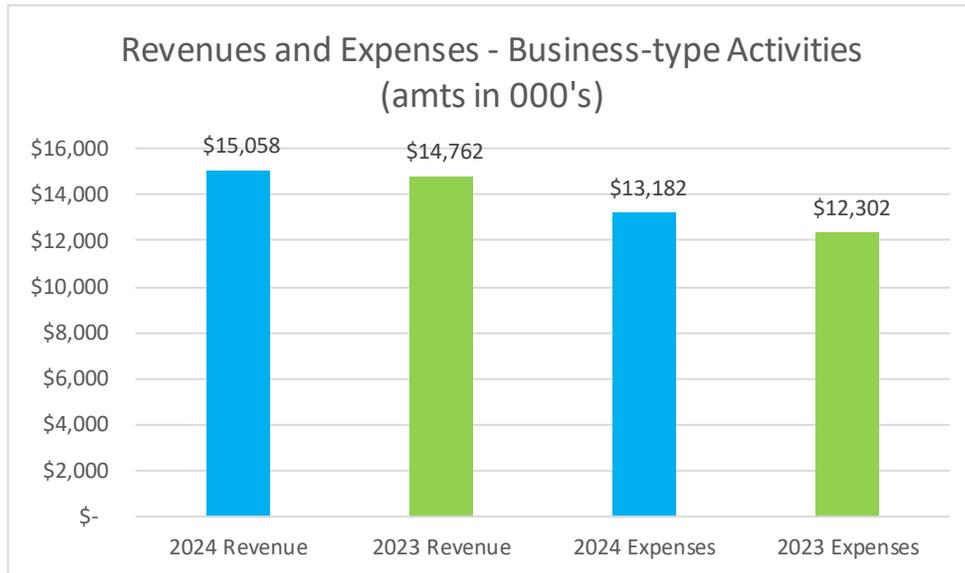
Approved expenses increased \$3,194,096. The largest contributor of the increase was a \$2.25 million 380 agreement for economic development in the general government category. Public services expenses increased \$1,205,473 or 16%; in part, due to an 8% increase in personnel salaries for police and fire to improve retention and recruitment; in conjunction with vehicles and radio equipment totaling \$779,494 increase due to delivery delays from FY2022-2023.



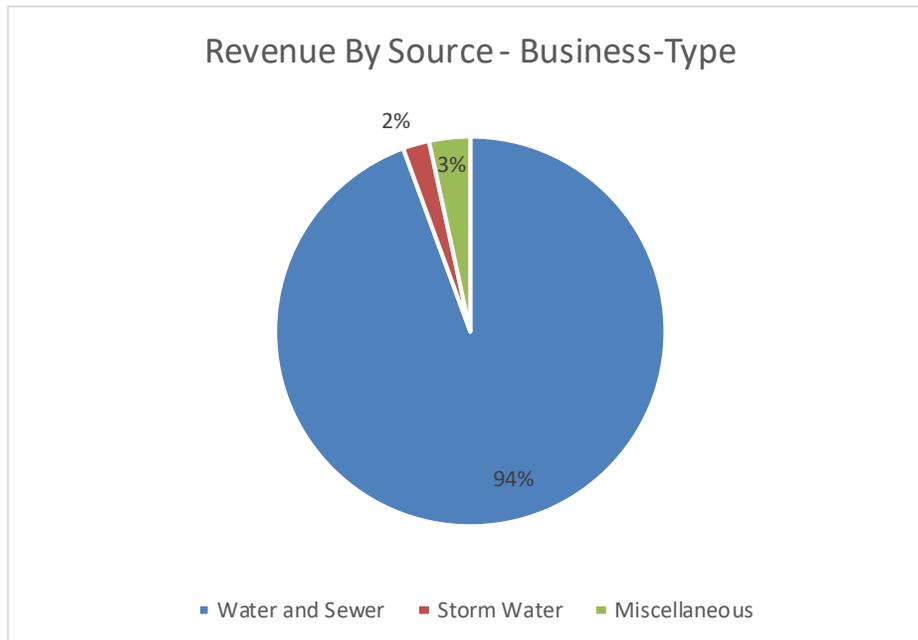
Business-type Activities – Business-type activities increased the City's net position by \$5,116,494. This represents an increase of \$2,505,498 from the prior year change in net position. Key elements for this increase are as follows:

The net position increased due to charges for service revenue, increased investment income and transfers in from governmental activities that exceeded expenses. Charges for service included a water rate increase of 8.35% and a sewer rate increase of 4.04% to offset charges for the purchase of water and treatment of wastewater. Investment income benefited from a change in the investment strategy by decreasing balances in DDA/MMA/NOW accounts earning approximately 2.8% and placing funds in higher yielding options with an average yield of 4.9%.

The City experienced an increase in water and sewer charges for service revenue of approximately \$350,000 due to 8.35% water rate increase and a sewer rate increase of 4.04% to offset distribution costs. Increased expenses of about \$879,000 are directly related to the increase in the purchase of water from the supplier and treatment of wastewater. An increase in net transfers of \$3,089,000 included a \$2,969,139 transfer from General Fund to continue the Waterline Loop project. Investment income increased 62% related to a change in the investment strategy. By decreasing balances in DDA/MMA/NOW accounts earning approximately 2.8% and placing funds in higher yielding options with an average yield of 4.9%, investments earnings increased \$174,896.



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 to the 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 \$11,027,744. 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 53% of total General Fund expenditures. The decrease in fund balance of the General Fund in the amount of \$1,812,384 was due to the net effect of an increase in property taxes, as well as an offsetting net transfer of \$2,014,139 to the water and sewer fund. The property tax increase relates to increased property valuations coupled with a 3% decrease in the operating and maintenance tax rate.

At September 30, 2024, the governmental funds of the City of Murphy reported a combined fund balance of \$18,294,293, a \$1,823,569 decrease from last year primarily due to the net transfer from the General Fund to the Water and Sewer Fund mentioned above. The City reported total restricted fund balance of \$7,249,116 as of September 30, 2024, of which \$6,088,922 is for capital improvements.

At September 30, 2024, the Debt Service Fund, a major governmental fund, had a total fund balance of \$852,184 which is restricted for the payment of debt. An increase of \$69,327 in fund balance during the current year was due to revenue exceeding principal retirement and related interest.

During fiscal year 2024, the Capital Projects Fund, a major fund, had a decrease in fund balance of \$295,542. The decrease is primarily due to capital expenditures of \$1.16 million offset by increases in sales tax and investment income.

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 \$5,019 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 \$5,089,651. The City spent \$4,743,136 in ARP funds by the end of fiscal year 2024. ARP funds must be obligated by December 31st, 2024, and spent by December 31st, 2026 to meet compliance requirements.

General Fund Budgetary Highlights: During the year, the City's General Fund budget was revised, increasing appropriations from the original budget by \$4,371,789. 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. This fiscal year, a fourth category for a budget amendment was approved: 4) amendment made to promote local economic development and stimulate business activity. The budget amendment categories and approved budget amendments were as follows:

	1) Amendment to adjust estimate of original budget	2) Amendment to recognize new funding	3) Increase appropriation to maintain services	4) Promote local economic development- stimulate business activity	Total Budget amendments
General Fund land easement purchases	\$ -	\$ 460,000	\$ -	\$ -	\$ 460,000
Outstanding encumbrances at year end	618,286	-	-	-	618,286
380 economic development agreement (H-E-B)	-	-	-	2,250,000	2,250,000
Unanticipated Capital Projects, Equipment repairs & replacements	466,972	-	46,661	-	513,633
Unanticipated operating costs	417,458	-	112,462	-	529,920
Total	\$ 1,502,716	\$ 460,000	\$ 159,123	\$ 2,250,000	\$ 4,371,839

Final budget compared to actual results. The most significant difference between estimated revenues and actual revenues was as follows:

Revenue Source	Estimated Revenues	Actual Revenues	Difference
Investment income	\$ 150,000	\$ 593,080	\$ 443,080

Overall, General Fund revenues were \$350,758 more than the budgeted amounts. Expenditures were \$1,738,944 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 \$14,450,040 and \$32,559,485 was invested in net capital assets less related debt. \$625,126 was restricted for use of impact fees. Overall, Water and Sewer Fund net position increased by \$5,116,494, primarily due to operating revenues exceeding operating expenses by \$1,667,851, net transfers in of \$2,014,139 and capital contributions of \$1,278,801. Net position in the Storm Water Fund increased by \$76,516, as operating revenues exceed operating expenses due to decreased personnel cost. 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, 2024, totaled \$127,688,124 (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 1,150 linear foot of new sidewalks along FM544
- Completed numerous sidewalk replacements throughout the city
- Completion of 1,100 linear feet of new sidewalks along N. Murphy Road
- Completed the street panel replacement project on Murphy Road
- Continued work on Median Landscaping & Irrigation within the City
- Continued work on FM544 Pedestrian Bridge Project
- Continued work on Maxwell Creek Road Water Line Rehabilitation
- Started work on Timbers Trail Sidewalk project
- Purchased new Kubota Excavator, Mowers and Trailer for Parks department
- Upgraded city-wide irrigation control system
- Renewed the city hall parking lot, sidewalks and front entrance
- Purchased new Backhoe for Water Distribution department
- Purchased new Cement Mixer and Trailer for Public Works department
- Purchased new 2023 Dodge Ram for Public Works department
- Purchased two 2023 Chevy Tahoe Vehicles for the Police Department
- Purchased two 2024 Chevy Tahoe Vehicles for the Police Department
- Purchased new radios and radar for the Police Department

Table 3
Capital Assets at Year-end

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and improvements	\$ 10,107,053	\$ 10,107,053	\$ 1,087,374	\$ -	\$ 11,194,427	\$ 10,107,053
Construction in progress	1,156,085	776,243	2,740,375	1,895,666	3,896,460	2,671,909
Buildings and improvements	29,771,635	29,771,635	-	-	29,771,635	29,771,635
Infrastructure	89,087,232	87,913,815	54,264,948	54,168,609	143,352,180	142,082,424
Machinery and equipment	14,557,615	13,376,620	4,982,647	4,580,751	19,540,262	17,957,371
Accumulated depreciation	(58,188,644)	(54,204,203)	(21,878,196)	(20,521,225)	(80,066,840)	(74,725,428)
Total	\$ 86,490,976	\$ 87,741,163	\$ 41,197,148	\$ 40,123,801	\$ 127,688,124	\$ 127,864,964

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

Long-Term Liabilities

As of September 30, 2024, total long-term liabilities for the City was \$42,562,356.

Table 4
Outstanding Debt and Other Long-Term Liabilities

	Governmental activities		Business-type activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Bonded debt						
General obligation and certificates of obligation	\$ 22,795,000	\$ 25,460,000	\$ 8,365,000	\$ 9,170,000	\$ 31,160,000	\$ 34,630,000
Tax notes	3,140,000	3,950,000	1,780,000	2,105,000	4,920,000	6,055,000
Total bonded debt	25,935,000	29,410,000	10,145,000	11,275,000	36,080,000	40,685,000
Other long-term liabilities						
Unamortized premiums	1,346,615	1,651,474	409,895	471,785	1,756,510	2,123,259
Net pension liability	3,235,595	4,404,641	433,454	564,856	3,669,049	4,969,497
Total OPEB liability	257,685	230,821	34,520	29,601	292,205	260,422
Compensated absences	628,227	534,057	54,320	50,123	682,547	584,180
Financed purchases	82,045	204,887	-	-	82,045	204,887
Total other long-term liabilities	5,550,167	7,025,880	932,189	1,116,365	6,482,356	8,142,245
Total	\$ 31,485,167	\$ 36,435,880	\$ 11,077,189	\$ 12,391,365	\$ 42,562,356	\$ 48,827,245

The City of Murphy's long-term liabilities decreased by \$6,264,889, or 13% 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.

The City's debt service management complies with the legal provisions of the various bond ordinances and covenants governing the debt issue. Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population, limits ad valorem tax rates to not exceed 2 ½% of the taxable property of the city, with 2% allowed to be allocated to the I&S tax rate. Texas Government Code, Title 9, Subtitle E, Chapter 1331 Municipal Bonds, Section 1331.052 Authority of home-rule municipality to issue bonds does not impose a not-to-exceed percentage of total appraised value. Section 1331.052 (a) does state a home-rule municipality may issue bonds on the credit of the municipality to make permanent public improvements or for another public purpose in an amount not to exceed its charter. There is no direct limit on debt in the City Charter. The City budgetary financial policy sets a limit for the debt fund balance not to exceed 5% of general obligation debt outstanding principal. In accordance with the budgetary financial policy the debt service balances should not exceed \$1,296,750. The debt service fund balance is \$852,185. In accordance with State of Texas Statutes, the legal debt limit is \$63,484,000. The general obligation bonds payable balance this year totals \$22,795,000; significantly below the legal debt limit.

Economic Factors and Next Year's Budget and Rates

The following factors currently affect the City of Murphy and were considered in developing the 2024-2025 fiscal year budget:

- The property tax total rate for fiscal year 2024-2025 is \$0.362533 per \$100 of assessed valuation; a decrease of .045 cents per \$100 of assessed valuation from the prior year total tax rate of \$0.408046. This budget will raise less revenue from property taxes than last year's budget by \$-424,841, which is a - 3.05% decrease from last year's budget.
- The fiscal year 2024-2025 adopted budget reflects a 3.59% decrease in maintenance and operations (M&O) from \$0.281360 to \$0.271253 per \$100 of assessed valuation.
- The fiscal year 2024-2024 adopted budget reflects a decrease in the interest and sinking fund (I&S) by \$0.035406 due to a decrease in outstanding debt service related to a final principal payment of the Tax Notes, Series 2018.

- Certified Assessed Value increased 8.97% for fiscal year 2024-2024 from \$3,416,499,228 to \$3,723,077,756.
- The City's sales tax projections were budgeted the same as last year to reflect a leveling off in retail activity. Sales tax revenue is the second-largest source of revenue, accounting for 15% of the total general fund revenue. For fiscal year 2024-2025, the General Fund Sales and Use Tax is projected to collect \$2.9 million. Total Sales Tax collections for all funds are budgeted at \$5.8 million.
- Franchise Taxes comprise 3% of the General Fund revenue, totaling approximately \$1 million. The largest contributors are Electricity, Gas and Cable Franchise Fees budgeted at a 4% projected decrease.
- A 3.46% increase in water rates beginning October 1, 2024, anticipates current and future expenditure increases during the upcoming fiscal year. The budget reflects the City's costs to maintain, operate, and complete capital improvements to the utility system.
- Revenue from the sale of water is budgeted at \$10.3 million for fiscal year 2024-2025.
- Revenue from wastewater is budgeted at \$4.4 million for fiscal year 2024-2025; a 3.98% increase over the prior year.
- An increase in the cost of distribution from the North Texas Municipal Water District (NTMWD) was the primary source for the utility rate increase. Utility revenue projections included a proposed water rate increase of 3.46% and a proposed sewer rate increase of 3.98%. The wholesale water cost assumption basis was a cost increase from \$3.82 per thousand gallons to \$3.95 per thousand gallons, a 3.4% increase.
- Interest rates were budgeted conservatively and expected to increase compared to prior years throughout the fiscal year 2024-2025. Investment opportunities will be utilized in accordance with the City of Murphy's investment policy.
- On the expenditure side, personnel salary market adjustments were included for all departments pursuant to an updated compensation philosophy, which includes performance-based step increases and market adjustments to stay within 5% of the 50th percentile of comparable market cities, which increased the projected budget by \$279,972 across all funds.
- The FY25 General Fund budgeted expenditures include six additional full-time equivalent positions; and \$829,161 in capital expenditures to upgrade all officer body-worn and vehicle cameras, replace ambulance AEDs and LUCAS lifesaving equipment, and to purchase land for waterline loops.

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, 2024

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 18,800,376	\$ 13,384,042	\$ 32,184,418	\$ 7,995,599
Restricted cash and cash equivalents	53,325	2,821,502	2,874,827	-
Receivables (net of allowance for uncollectibles)	951,426	1,962,674	2,914,100	330,602
Capital assets, not being depreciated:				
Land	10,107,053	1,087,374	11,194,427	-
Construction in progress	1,156,085	2,740,375	3,896,460	-
Capital assets, subject to depreciation:				
Infrastructure	89,087,232	54,264,948	143,352,180	-
Buildings and improvements	29,771,635	-	29,771,635	-
Machinery and equipment	14,557,615	4,982,647	19,540,262	-
Accumulated depreciation	(58,188,644)	(21,878,196)	(80,066,840)	-
Total assets	106,296,103	59,365,366	165,661,469	8,326,201
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	1,654,304	358,351	2,012,655	-
Deferred outflows related to OPEB	98,193	16,759	114,952	-
Total deferred outflows of resources	1,752,497	375,110	2,127,607	-
LIABILITIES				
Accounts payable	706,779	382,299	1,089,078	312,014
Accrued liabilities	233,099	14,601	247,700	12,521
Due to other governments	151	-	151	-
Other liabilities	64,648	-	64,648	-
Unearned revenues	346,515	214	346,729	-
Customer deposits	7,888	519,772	527,660	-
Accrued interest payable	110,401	43,185	153,586	-
Noncurrent liabilities:				
Due within one year	2,762,702	1,170,593	3,933,295	-
Due in more than one year	28,722,465	9,906,596	38,629,061	-
Total liabilities	32,954,648	12,037,260	44,991,908	324,535
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	143,793	11,475	155,268	-
Deferred inflows - pension	135,620	38,306	173,926	-
Deferred inflows - OPEB	115,896	18,784	134,680	-
Total deferred inflows of resources	395,309	68,565	463,874	-
NET POSITION				
Net investment in capital assets	64,618,744	32,559,485	97,178,229	-
Restricted:				
Debt service	775,925	-	775,925	-
Use of impact fees	-	625,126	625,126	-
Grants	213,462	-	213,462	-
Court use	31,099	-	31,099	-
Capital improvements	102,649	-	102,649	-
Animal shelter	11,864	-	11,864	-
PEG fees	51,585	-	51,585	-
Unrestricted	8,893,315	14,450,040	23,343,355	8,001,666
TOTAL NET POSITION	\$ 74,698,643	\$ 47,634,651	\$ 122,333,294	\$ 8,001,666

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, 2024

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General government	\$ 8,370,068	\$ 20,960	\$ 4,270,682	\$ -
Public safety	8,773,798	812,657	23,725	-
Public services and operations	898,443	499,996	8,548	-
Parks and recreation	2,173,717	116,407	583,864	-
Public works	1,299,177	-	-	-
Sanitation services	1,158,179	1,347,934	-	-
Interest on long-term debt	569,958	-	-	-
Total governmental activities	23,243,340	2,797,954	4,886,819	-
Business-type activities:				
Water and sewer	12,929,304	14,217,292	-	52,980
Storm water	252,412	328,928	-	-
Total business-type activities	13,181,716	14,546,220	-	52,980
TOTAL PRIMARY GOVERNMENT	\$ 36,425,056	\$ 17,344,174	\$ 4,886,819	\$ 52,980
COMPONENT UNITS				
Governmental Activities:				
Community Development Corporation	\$ 1,580,988	\$ 37,161	\$ -	\$ -
Municipal Development District	379,348	-	-	-
TOTAL COMPONENT UNITS	\$ 1,960,336	\$ 37,161	\$ -	\$ -

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
\$ (4,078,426)	\$ -	\$ (4,078,426)	\$ -
(7,937,416)	-	(7,937,416)	-
(389,899)	-	(389,899)	-
(1,473,446)	-	(1,473,446)	-
(1,299,177)	-	(1,299,177)	-
189,755	-	189,755	-
(569,958)	-	(569,958)	-
(15,558,567)	-	(15,558,567)	-
-	1,340,968	1,340,968	-
-	76,516	76,516	-
-	1,417,484	1,417,484	-
<u>\$ (15,558,567)</u>	<u>\$ 1,417,484</u>	<u>\$ (14,141,083)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (1,543,827)
-	-	-	(379,348)
-	-	-	(1,923,175)
13,893,953	-	13,893,953	-
3,624,540	-	3,624,540	2,143,778
975,956	-	975,956	-
1,037,238	457,292	1,494,530	348,939
-	-	-	13,301
116,743	1,758	118,501	-
(3,239,960)	3,239,960	-	-
16,408,470	3,699,010	20,107,480	2,506,018
849,903	5,116,494	5,966,397	582,843
73,848,740	42,518,157	116,366,897	7,418,823
<u>\$ 74,698,643</u>	<u>\$ 47,634,651</u>	<u>\$ 122,333,294</u>	<u>\$ 8,001,666</u>

City of Murphy, Texas

Balance Sheet

Governmental Funds

September 30, 2024

	General Fund	Debt Service	Capital Projects	ARP Act Fund	Total
ASSETS					
Cash and cash equivalents	\$ 11,125,932	\$ 845,318	\$ 6,261,070	\$ 568,056	\$ 18,800,376
Restricted cash and cash equivalents	53,325	-	-	-	53,325
Receivables, net of allowance	800,028	41,008	110,390	-	951,426
TOTAL ASSETS	\$ 11,979,285	\$ 886,326	\$ 6,371,460	\$ 568,056	\$ 19,805,127
LIABILITIES					
Accounts payable	\$ 416,162	\$ -	\$ 282,538	\$ 8,079	\$ 706,779
Accrued liabilities	233,099	-	-	-	233,099
Due to other governments	151	-	-	-	151
Customer deposits	7,888	-	-	-	7,888
Unearned revenue	-	-	-	346,515	346,515
Other liabilities	64,648	-	-	-	64,648
Total liabilities	721,948	-	282,538	354,594	1,359,080
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	85,905	34,142	-	-	120,047
Unavailable revenue - ambulance fees	22,455	-	-	-	22,455
Unavailable revenue - municipal fines	9,252	-	-	-	9,252
Total deferred inflows of resources	117,612	34,142	-	-	151,754
FUND BALANCE					
Restricted:					
Debt service	-	852,184	-	-	852,184
Animal shelter	11,864	-	-	-	11,864
Grants	-	-	-	213,462	213,462
Municipal court	31,099	-	-	-	31,099
PEG fees	51,585	-	-	-	51,585
Capital improvements	-	-	6,088,922	-	6,088,922
Assigned:					
Police	17,433	-	-	-	17,433
Unassigned	11,027,744	-	-	-	11,027,744
Total fund balance	11,139,725	852,184	6,088,922	213,462	18,294,293
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 11,979,285	\$ 886,326	\$ 6,371,460	\$ 568,056	\$ 19,805,127

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, 2024

TOTAL GOVERNMENTAL FUND BALANCES	\$ 18,294,293
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.	86,490,976
Bonds payable and tax notes are not due and payable in the current period and therefore are not reported in the fund financial statements.	(25,935,000)
Premiums on issuance of debt are not recognized on the balance sheet for governmental funds.	(1,346,615)
Financed purchases are not due and payable in the current period and therefore are not reported in the fund financial statements.	(82,045)
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 (\$143,793) on refunding.	(143,793)
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.	(110,401)
Accrued liabilities for compensated absences are not reflected in the fund financial statements.	(628,227)
The net effect of deferred outflows, \$1,752,497, and deferred inflows (\$251,516) of resources related to the City's net pension and total other postemployment benefits (OPEB) liabilities increases net position in the government-wide financial statements.	1,500,981
The City's net pension liability, \$3,235,595, and total OPEB liability, \$257,685, are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	(3,493,280)
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.	151,754
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 74,698,643

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, 2024

	General Fund	Debt Service	Capital Projects	ARP Act Fund	Total
REVENUES					
Property tax	\$ 9,579,080	\$ 4,311,915	\$ -	\$ -	\$ 13,890,995
Franchise taxes	975,956	-	-	-	975,956
Fines and forfeitures	301,297	-	-	-	301,297
Sales tax	2,907,764	-	716,776	-	3,624,540
Charges for services	2,091,982	-	44,400	-	2,136,382
Licenses and permits	412,587	-	-	-	412,587
Intergovernmental	3,968,603	-	-	841,671	4,810,274
Donations	8,548	-	-	-	8,548
Investment income	593,080	87,544	146,331	209,030	1,035,985
Miscellaneous	141,721	-	-	-	141,721
Total revenues	20,980,618	4,399,459	907,507	1,050,701	27,338,285
EXPENDITURES					
Current operating:					
General government	7,163,917	-	41,525	3,268	7,208,710
Public safety	8,641,321	-	-	-	8,641,321
Public works	840,105	-	-	-	840,105
Public services and operations	882,666	-	-	-	882,666
Parks and recreation	1,956,898	-	-	-	1,956,898
Sanitation services	1,158,179	-	-	-	1,158,179
Debt service:					
Principal retirement	122,842	3,475,000	-	-	3,597,842
Interest and fiscal agent fees	12,935	855,132	-	-	868,067
Capital outlay	-	-	1,161,524	838,403	1,999,927
Total expenditures	20,778,863	4,330,132	1,203,049	841,671	27,153,715
Excess (deficiency) of revenues over (under) expenditures	201,755	69,327	(295,542)	209,030	184,570
OTHER FINANCING SOURCES (USES)					
Transfers in	955,000	-	-	-	955,000
Transfers out	(2,969,139)	-	-	-	(2,969,139)
Total other financing sources (uses)	(2,014,139)	-	-	-	(2,014,139)
Net change in fund balance	(1,812,384)	69,327	(295,542)	209,030	(1,829,569)
Fund balance, beginning of year	12,952,109	782,857	6,384,464	4,432	20,123,862
FUND BALANCE, END OF YEAR	\$ 11,139,725	\$ 852,184	\$ 6,088,922	\$ 213,462	\$ 18,294,293

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, 2024

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (1,829,569)
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.	4,209,581
Governmental activities transfers out of capital assets to the water and sewer fund are not recorded as expenditures in the governmental fund financial statements but are recorded as transfers out in the statement of activities.	(1,225,821)
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.	(4,139,807)
In governmental fund financial statements, the proceeds from the sale of capital assets are shown as an increase in financial resources. However, in the statement of activities, the gain or loss is calculated and reported.	(94,140)
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.	3,597,842
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.	304,859
Current deferred gain on refunding amortization increases 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.	(37,437)
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.	5,496
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.	(94,170)
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.	129,755
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.	3,204
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements.	<u>(5,080)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 849,903</u>

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property tax	\$ 9,637,662	\$ 9,637,662	\$ 9,579,080	\$ (58,582)
Franchise taxes	1,013,057	1,013,057	975,956	(37,101)
Fines and forfeitures	323,686	323,686	301,297	(22,389)
Sales tax	2,968,536	2,968,536	2,907,764	(60,772)
Charges for services	2,104,069	2,104,069	2,091,982	(12,087)
Licenses and permits	398,433	398,433	412,587	14,154
Intergovernmental	539,464	3,968,603	3,968,603	-
Donations	1,535	35	8,548	8,513
Investment income	150,000	150,000	593,080	443,080
Miscellaneous	65,779	65,779	141,721	75,942
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	17,202,221	20,629,860	20,980,618	350,758
EXPENDITURES				
General government				
City administration	437,343	865,424	826,200	39,224
Human resources	545,653	540,188	540,909	(721)
Information technology	1,344,435	1,370,701	1,262,602	108,099
City council	357,783	2,548,848	2,494,606	54,242
City secretary	257,872	260,372	219,797	40,575
Finance	793,985	793,985	712,650	81,335
Facilities	731,325	759,559	720,423	39,136
Municipal court	416,144	417,406	386,730	30,676
	<hr/>	<hr/>	<hr/>	<hr/>
Total general government	4,884,540	7,556,483	7,163,917	392,566
Public Safety				
Fire department	3,639,761	4,074,031	3,393,828	680,203
Police department	4,840,059	5,493,521	5,247,493	246,028
	<hr/>	<hr/>	<hr/>	<hr/>
Total public Safety	8,479,820	9,567,552	8,641,321	926,231
Public works				
Public works department	459,179	988,604	840,105	148,499
	<hr/>	<hr/>	<hr/>	<hr/>
Total public works	459,179	988,604	840,105	148,499
Public services and operations				
Community services	757,988	808,927	681,817	127,110
Animal control	208,791	213,734	200,849	12,885
	<hr/>	<hr/>	<hr/>	<hr/>
Total public services and operations	966,779	1,022,661	882,666	139,995

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Parks and recreation				
Parks	\$ 1,524,803	\$ 1,528,737	\$ 1,471,889	\$ 56,848
Recreation	576,423	558,296	485,009	73,287
Total parks and recreation	2,101,226	2,087,033	1,956,898	130,135
Sanitation services				
Other services	1,118,697	1,159,697	1,158,179	1,518
Total sanitation services	1,118,697	1,159,697	1,158,179	1,518
Debt service				
Principal retirement	135,777	135,777	122,842	12,935
Interest and fiscal agent fees	-	-	12,935	(12,935)
Total debt service	135,777	135,777	135,777	-
Total expenditures	18,146,018	22,517,807	20,778,863	1,738,944
Excess (deficiency) of revenues over (under) expenditures	(943,797)	(1,887,947)	201,755	2,089,702
OTHER FINANCING SOURCES				
Transfers in	955,000	955,000	955,000	-
Transfers out	-	(2,969,139)	(2,969,139)	-
Total other financing sources	955,000	(2,014,139)	(2,014,139)	-
Net change in fund balance	11,203	(3,902,086)	(1,812,384)	2,089,702
Fund balance, beginning of year	12,952,109	12,952,109	12,952,109	-
FUND BALANCE, end of year	<u>\$ 12,963,312</u>	<u>\$ 9,050,023</u>	<u>\$ 11,139,725</u>	<u>\$ 2,089,702</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, 2024

	Water and Sewer	Storm Water	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 13,037,590	\$ 346,452	\$ 13,384,042
Restricted cash and investments	2,821,502	-	2,821,502
Receivables, net	1,933,500	29,174	1,962,674
Total current assets	17,792,592	375,626	18,168,218
Noncurrent assets:			
Capital assets:			
Infrastructure	52,683,334	1,581,614	54,264,948
Vehicles, machinery and equipment	4,668,662	313,985	4,982,647
Land	1,087,374	-	1,087,374
Construction in progress	2,740,375	-	2,740,375
Less: accumulated depreciation	(21,635,472)	(242,724)	(21,878,196)
Total noncurrent assets	39,544,273	1,652,875	41,197,148
Total assets	57,336,865	2,028,501	59,365,366
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	201,462	156,889	358,351
Deferred outflows related to OPEB	11,799	4,960	16,759
Total deferred outflows of resources	213,261	161,849	375,110
Total assets and deferred outflows of resources	57,550,126	2,190,350	59,740,476
LIABILITIES			
Current liabilities:			
Accounts payable	373,831	8,468	382,299
Accrued liabilities	8,135	6,466	14,601
Unearned revenues	214	-	214
Payables from restricted assets:			
Customer deposits	519,772	-	519,772
Accrued interest payable	43,185	-	43,185
Compensated absences - current	5,038	555	5,593
Bonds and notes payable - current	1,165,000	-	1,165,000
Total current liabilities	2,115,175	15,489	2,130,664
Non-current liabilities:			
Compensated absences	43,732	4,995	48,727
Net pension liability	362,757	70,697	433,454
Total OPEB liability	28,890	5,630	34,520
Bonds and notes payable	9,389,895	-	9,389,895
Total noncurrent liabilities	9,825,274	81,322	9,906,596
Total liabilities	11,940,449	96,811	12,037,260
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	11,475	-	11,475
Deferred inflows related to pensions	24,177	14,129	38,306
Deferred inflows related to OPEB	15,314	3,470	18,784
Total deferred inflows of resources	50,966	17,599	68,565
NET POSITION			
Net investment in capital assets	30,906,610	1,652,875	32,559,485
Restricted for:			
Impact fees	625,126	-	625,126
Unrestricted	14,026,975	423,065	14,450,040
Total net position	45,558,711	2,075,940	47,634,651
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 57,550,126	\$ 2,190,350	\$ 59,740,476

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, 2024

	Water and Sewer	Storm Water	Total
OPERATING REVENUES			
Charges for sales and services:			
Service charges	\$ 14,217,292	\$ 328,928	\$ 14,546,220
Miscellaneous	1,758	-	1,758
Total operating revenues	14,219,050	328,928	14,547,978
OPERATING EXPENSES			
Personnel services	1,245,904	158,168	1,404,072
Supplies and materials	89,842	5,153	94,995
Maintenance and repair	118,360	4,076	122,436
Contractual services	9,760,602	22,302	9,782,904
Depreciation	1,413,007	62,713	1,475,720
Total operating expenses	12,627,715	252,412	12,880,127
Operating income (loss)	1,591,335	76,516	1,667,851
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	457,292	-	457,292
Interest expense	(301,589)	-	(301,589)
Total nonoperating revenue (expenses)	155,703	-	155,703
Income (loss) before contributions and transfers	1,747,038	76,516	1,823,554
CONTRIBUTIONS AND TRANSFERS			
Capital contributions	1,278,801	-	1,278,801
Transfers in	2,969,139	-	2,969,139
Transfers out	(955,000)	-	(955,000)
Total contributions and transfers (net)	3,292,940	-	3,292,940
Change in net position	5,039,978	76,516	5,116,494
TOTAL NET POSITION, beginning of year	40,518,733	1,999,424	42,518,157
TOTAL NET POSITION, end of year	\$ 45,558,711	\$ 2,075,940	\$ 47,634,651

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, 2024

	Water and Sewer	Storm Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 14,221,068	\$ 329,993	\$ 14,551,061
Cash paid to employees	(1,257,461)	(254,980)	(1,512,441)
Cash paid for goods and services	(10,340,308)	(40,574)	(10,380,882)
Net cash provided by operating activities	2,623,299	34,439	2,657,738
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(955,000)	-	(955,000)
Transfers from other funds	2,969,139	-	2,969,139
Net cash used in noncapital financing activities	2,014,139	-	2,014,139
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest and fiscal charges	(365,916)	-	(365,916)
Principal payments on bonds payables	(1,130,000)	-	(1,130,000)
Acquisition or construction of capital assets	(1,256,061)	(14,205)	(1,270,266)
Net cash used in capital and related financing activities	(2,751,977)	(14,205)	(2,766,182)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	457,292	-	457,292
Net cash provided by investing activities	457,292	-	457,292
Net increase in cash and cash equivalents	2,342,753	20,234	2,362,987
Cash and cash equivalents, beginning of year	13,516,339	326,218	13,842,557
CASH AND CASH EQUIVALENTS, END OF THE YEAR	\$ 15,859,092	\$ 346,452	\$ 16,205,544

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, 2024

	<u>Water and Sewer</u>	<u>Storm Water</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 1,591,335	\$ 76,516	\$ 1,667,851
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Depreciation	1,413,007	62,713	1,475,720
Change in assets and liabilities:			
Other assets	-	-	-
Receivables	(8,248)	1,066	(7,182)
Accounts payable and accrued liabilities	(371,504)	(9,044)	(380,548)
Customer deposits	10,266	-	10,266
Compensated absences	1,630	2,567	4,197
Deferred inflows and outflows - net pension liability and total OPEB liability	(13,187)	(99,379)	(112,566)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,623,299</u>	<u>\$ 34,439</u>	<u>\$ 2,657,738</u>
NONCASH INVESTING ACTIVITIES			
Contributions of capital assets	<u>\$ 1,278,801</u>	<u>\$ -</u>	<u>\$ 1,278,801</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 Net Position
September 30, 2024

	Community Development Corporation	Municipal Development District	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,431,834	\$ 4,563,765	\$ 7,995,599
Receivables (net of allowance for uncollectibles)	220,780	109,822	330,602
Total assets	3,652,614	4,673,587	8,326,201
LIABILITIES			
Current liabilities:			
Accounts payable	266,083	45,931	312,014
Accrued liabilities	12,521	-	12,521
Total liabilities	278,604	45,931	324,535
NET POSITION			
Unrestricted	3,374,010	4,627,656	8,001,666
TOTAL NET POSITION	<u>\$ 3,374,010</u>	<u>\$ 4,627,656</u>	<u>\$ 8,001,666</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, 2024

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>		<u>Component Units</u>		<u>Total</u>
			<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Community Development Corporation</u>	<u>Municipal Development District</u>	
GOVERNMENTAL ACTIVITIES							
Community Development Corporation	\$ 1,580,988	\$ 37,161	\$ -	\$ -	\$ (1,543,827)	\$ -	\$ (1,543,827)
Municipal Development District	379,348	-	-	-	-	(379,348)	(379,348)
TOTAL COMPONENT UNITS	<u>\$ 1,960,336</u>	<u>\$ 37,161</u>	<u>\$ -</u>	<u>\$ -</u>	(1,543,827)	(379,348)	(1,923,175)
General Revenues:							
Sales taxes					1,433,553	710,225	2,143,778
Investment income					137,605	211,334	348,939
Contributions					13,301	-	13,301
Total general revenues					1,584,459	921,559	2,506,018
Change in net position					40,632	542,211	582,843
Net position - beginning of year					3,333,378	4,085,445	7,418,823
NET POSITION - end of year					<u>\$ 3,374,010</u>	<u>\$ 4,627,656</u>	<u>\$ 8,001,666</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, and 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 taxes, investment and interest income and miscellaneous 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.

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) and 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, 2024, the City had a tax rate of \$0.408 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 are 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 net 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.

- Difference between projected and actual investment earnings on pension assets. The difference is deferred and amortized over a closed 5-year period.
- 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 net 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.
- 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 of resources related to unavailable revenues.

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. There were no committed fund balances as of September 30, 2024

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.

City of Murphy, Texas

Notes to the Basic Financial Statements

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.

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 reserves 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 28-29 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, 2024, the carrying amount of the City's deposits (cash, money markets, and interest-bearing savings accounts included in temporary investments) was \$43,053,694 and the bank balance was \$43,151,056. The City's cash deposits at September 30, 2024 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, 2024 consist of and are classified in the accompanying financial statements as follows:

Primary government:		
Cash and cash equivalents	\$	32,184,418
Restricted cash and cash equivalents		<u>2,874,827</u>
		35,059,245
Discretely presented component units:		
Cash and cash equivalents		<u>7,995,599</u>
Total cash and cash equivalents	\$	<u><u>43,054,844</u></u>
Cash and cash equivalents consists of the following:		
Petty cash	\$	1,150
Carrying amount of deposits		<u>43,053,694</u>
Total	\$	<u><u>43,054,844</u></u>

Cash and cash equivalents reported as restricted consist 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 auditor 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 fair 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, 2024, 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	\$ 558,195	\$ 45,565	\$ 110,390	\$ 714,150	\$ -	\$ -	\$ 714,150
Ambulance fees	275,143	-	-	275,143	-	-	275,143
Municipal court	185,039	-	-	185,039	-	-	185,039
Fees and charges	138,357	-	-	138,357	1,941,749	29,174	2,109,280
Miscellaneous	36,962	-	-	36,962	-	-	36,962
Gross receivables	1,193,696	45,565	110,390	1,349,651	1,941,749	29,174	3,320,574
Less: allowance for uncollectibles	(393,668)	(4,557)	-	(398,225)	(8,249)	-	(406,474)
Net total	\$ 800,028	\$ 41,008	\$ 110,390	\$ 951,426	\$ 1,933,500	\$ 29,174	\$ 2,914,100

City of Murphy, Texas
Notes to the Basic Financial Statements

Note 5. Capital Assets

Capital asset activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 10,107,053	\$ 1,087,374	\$ -	\$ (1,087,374)	\$ 10,107,053
Construction in progress	776,243	1,058,757	(94,140)	(584,775)	1,156,085
Total capital assets, not being depreciated	10,883,296	2,146,131	(94,140)	(1,672,149)	11,263,138
Capital assets being depreciated:					
Buildings and improvements	29,771,635	-	-	-	29,771,635
Infrastructure	87,913,815	754,845	-	418,572	89,087,232
Machinery and equipment	13,376,620	1,308,605	(155,366)	27,756	14,557,615
Total capital assets being depreciated	131,062,070	2,063,450	(155,366)	446,328	133,416,482
Less accumulated depreciation for:					
Buildings and improvements	(16,339,468)	(986,600)	-	-	(17,326,068)
Infrastructure	(27,734,440)	(2,287,765)	-	-	(30,022,205)
Machinery and equipment	(10,130,295)	(865,442)	155,366	-	(10,840,371)
Total accumulated depreciation	(54,204,203)	(4,139,807)	155,366	-	(58,188,644)
Total capital assets being depreciated, net	76,857,867	(2,076,357)	(94,140)	446,328	75,227,838
Governmental activities capital assets, net	\$ 87,741,163	\$ 69,774	\$ (94,140)	\$ (1,225,821)	\$ 86,490,976
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ -	\$ -	\$ -	\$ 1,087,374	\$ 1,087,374
Construction in progress	1,895,666	807,305	(58,710)	96,114	2,740,375
Total capital assets, not being depreciated	1,895,666	807,305	(58,710)	1,183,488	3,827,749
Capital assets being depreciated:					
Infrastructure	54,168,609	81,762	-	14,577	54,264,948
Machinery and equipment	4,580,751	494,620	(120,480)	27,756	4,982,647
Total capital assets being depreciated	58,749,360	576,382	(120,480)	42,333	59,247,595
Less accumulated depreciation for:					
Infrastructure	(18,988,728)	(1,203,674)	-	-	(20,192,402)
Machinery and equipment	(1,532,497)	(272,046)	118,749	-	(1,685,794)
Total accumulated depreciation	(20,521,225)	(1,475,720)	118,749	-	(21,878,196)
Total capital assets being depreciated, net	38,228,135	(899,338)	(1,731)	42,333	37,369,399
Business-type activities capital assets, net	\$ 40,123,801	\$ (92,033)	\$ (60,441)	\$ 1,225,821	\$ 41,197,148

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		\$ 1,176,549
Public safety		490,067
Public works		1,641,642
Public services and operations		50,765
Parks and recreation		780,784
		<u>4,139,807</u>
		\$ 4,139,807
Business-type activities:		
Water and Sewer		\$ 1,413,007
Stormwater		62,713
		<u>1,475,720</u>
		\$ 1,475,720

Note 6. Interfund Balances and Transfers

A. 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	\$ 955,000	Administrative costs
General Fund	Water and Sewer Fund	2,969,139	Allocation for ARPA expenses
		<u>\$ 3,924,139</u>	

Transfers at the government-wide level include the transfer of \$1,225,821 of capital assets from the governmental activities to the business-type activities which is not included as a transfer in the fund financial statements.

City of Murphy, Texas

Notes to the Basic Financial Statements

Note 7. Long-Term Obligations

A summary of long-term liability transactions, including the current portion, for the year ended September 30, 2024, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
Governmental activities:					
General obligation bonds	\$ 25,460,000	\$ -	\$ (2,665,000)	\$ 22,795,000	\$ 1,805,000
Tax notes	3,950,000	-	(810,000)	3,140,000	830,000
Unamortized bond premium	1,651,474	-	(304,859)	1,346,615	-
Financed purchases	204,887	-	(122,842)	82,045	64,879
Net pension liability	4,404,641	-	(1,169,046)	3,235,595	-
Total OPEB liability	230,821	26,864	-	257,685	-
Compensated absences	534,057	1,313,167	(1,218,997)	628,227	62,823
	<u>36,435,880</u>	<u>1,340,031</u>	<u>(6,290,744)</u>	<u>31,485,167</u>	<u>2,762,702</u>
Business-type activities:					
General obligation bonds	2,800,000	-	(435,000)	2,365,000	445,000
Tax notes	2,105,000	-	(325,000)	1,780,000	335,000
Certificates of obligation	6,370,000	-	(370,000)	6,000,000	385,000
Unamortized bond premium	471,785	-	(61,890)	409,895	-
Net pension liability	564,856	-	(131,402)	433,454	-
Total OPEB liability	29,601	-	4,919	34,520	-
Compensated absences	50,123	95,760	(91,563)	54,320	5,593
	<u>12,391,365</u>	<u>95,760</u>	<u>(1,409,936)</u>	<u>11,077,189</u>	<u>1,170,593</u>
Total primary government	<u>\$ 48,827,245</u>	<u>\$ 1,435,791</u>	<u>\$ (7,700,680)</u>	<u>\$ 42,562,356</u>	<u>\$ 3,933,295</u>

A. Compensated Absences

Compensated absences represent the estimated liability for employees' accrued holiday time and vacation leave for 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 Funds based on the assignment of the 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, 2024, includes the following individual issues:

Description	Original Amount	Year of Issue (Fiscal)	Final Maturity	Interest Rates	Balance 09/30/24
General obligation bonds:					
Improvements	\$ 12,770,000	2018	2038	3.0% - 4.0%	\$ 10,380,000
Improvements	8,315,000	2020	2040	2.15% - 3.0%	6,740,000
Refunding	8,850,000	2021	2031	2.0% - 4.0%	5,675,000
Total general obligation bonds	29,935,000				22,795,000
Tax notes:					
Improvements	1,075,000	2018	2025	2.99%	170,000
Improvements	1,600,000	2020	2027	1.76%	725,000
Improvements	3,050,000	2022	2029	2.79%	2,245,000
Total tax notes	5,725,000				3,140,000
Total governmental activities debt	\$ 35,660,000				\$ 25,935,000

Governmental activities debt service requirements are as follows:

Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 2,635,000	\$ 764,814	\$ 3,399,814
2026	2,535,000	694,146	3,229,146
2027	2,630,000	614,288	3,244,288
2028	2,455,000	524,543	2,979,543
2029	2,545,000	433,950	2,978,950
2030-2034	6,815,000	1,337,226	8,152,226
2035-2039	5,815,000	423,518	6,238,518
2040	505,000	6,313	511,313
Total	\$ 25,935,000	\$ 4,798,798	\$ 30,733,798

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

\$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.

\$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.

City of Murphy, Texas

Notes to the Basic Financial Statements

\$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, 2024, includes the following individual issues:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rates	Balance 09/30/24
General obligation bonds:					
Refunding	\$ 3,640,000	2021	2031	2.0% - 4.0%	\$ 2,365,000
Total General Obligation Bonds	3,640,000				2,365,000
Tax notes:					
Improvements	2,425,000	2022	2029	2.2% - 3.27%	1,780,000
Total tax notes	2,425,000				1,780,000
Certificates of obligation:					
Improvements	2,910,000	2014	2034	2.0% - 4.0%	1,675,000
Improvements	5,525,000	2018	2038	3.0% - 4.0%	4,325,000
Total certificates of obligation	8,435,000				6,000,000
Total business-type activities debt	\$ 14,500,000				\$ 10,145,000

Business-type activities debt service requirements are as follows:

Fiscal Year Ending September 30,	Business Activities		
	Principal	Interest	Total
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	1,280,000	209,198	1,489,198
2029	1,335,000	160,019	1,495,019
2030-2034	2,485,000	469,578	2,954,578
2035-2038	1,445,000	102,731	1,547,731
Total	\$ 10,145,000	\$ 1,822,236	\$ 11,967,236

City of Murphy, Texas

Notes to the Basic Financial Statements

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 rights-of-way.

\$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
2025	\$ 64,879	\$ 3,711	\$ 68,590
2026	17,166	1,540	18,706
Total	\$ 82,045	\$ 5,251	\$ 87,296

Note 8. Pension Plan

A. Plan Description

The City participates as one of 934 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

All eligible employees of the 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.

City of Murphy, Texas

Notes to the Basic Financial Statements

At retirement, the Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest. 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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	74
Inactive employees entitled to but not yet receiving benefits	158
Active employees	127
Total	359

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 compensation during the fiscal year. The contribution rates for the City were 14.06% and 13.98% in calendar years 2024 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were \$1,407,098, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2023, 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, 2023, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed

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. Male rates are multiplied by 103% and female rates are multiplied by 105%. 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, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global equity	35.0%	6.70%
Core fixed income	6.0%	4.70%
Non-core fixed income	20.0%	8.00%
Other public and private markets	12.0%	8.00%
Real estate	12.0%	7.60%
Hedge funds	5.0%	6.40%
Private equity	10.0%	11.60%
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 Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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 12/31/22	\$ 33,111,936	\$ 28,142,439	\$ 4,969,497
Changes for the year:			
Service cost	1,629,063	-	1,629,063
Interest	2,256,923	-	2,256,923
Difference between expected and actual experience	82,904	-	82,904
Changes of assumptions	(152,052)	-	(152,052)
Contributions - employer	-	1,244,499	(1,244,499)
Contributions - employee	-	623,139	(623,139)
Net investment income (loss)	-	3,270,513	(3,270,513)
Benefit payments, including refunds of employee contributions	(981,156)	(981,156)	-
Administrative expense	-	(20,721)	20,721
Other changes	-	(144)	144
Net changes	2,835,682	4,136,130	(1,300,448)
Balance at 12/31/23	\$ 35,947,618	\$ 32,278,569	\$ 3,669,049

G. Sensitivity of the Net Pension Liability to changes in the discount rate:

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability \$	9,781,325	\$ 3,669,049	\$ (1,204,960)

H. Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2024, the City recognized pension expense of \$1,269,095.

City of Murphy, Texas

Notes to the Basic Financial Statements

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 77,053	\$ (28,167)
Changes in actuarial assumptions	-	(100,508)
Difference between projected and actual investment earnings	709,877	-
Change in proportion	34,035	(34,034)
Contributions during measurement date	23,778	(11,217)
Contributions subsequent to the measurement date	1,167,912	-
Total	\$ 2,012,655	\$ (173,926)

\$1,167,912 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30,	Net Deferred Outflows (Inflows)
2025	\$ 178,312
2026	213,878
2027	552,808
2028	(274,181)
	<u>\$ 670,817</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.

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.

City of Murphy, Texas

Notes to the Basic Financial Statements

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits	32
Active employees	127
	<hr/>
	207
	<hr/> <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 City's contributions to the SDBF for the year ended September 30, 2024 was \$27,057 and were equal to the required contributions.

D. Total OPEB Liability

The City's Total OPEB Liability (TOL) was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

E. Actuarial Assumptions

The Total OPEB Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.6% to 11.85% including inflation
Discount rate	3.77%

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.

City of Murphy, Texas

Notes to the Basic Financial Statements

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 3.77% as of December 31, 2023.

F. Changes in Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2022	\$ 260,422
Changes for the year:	
Service cost	16,914
Interest on total OPEB liability	10,763
Difference between expected and actual experience	(6,652)
Changes of assumptions or other inputs	16,989
Benefit payments	(6,231)
Net changes	31,783
Balance at 12/31/23	\$ 292,205

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 3.77%, 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 (2.77%) or 1 percentage-point higher (4.77%) than the current rate:

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB liability	\$ 360,058	\$ 292,205	\$ 240,647

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, 2024, the City recognized OPEB expense of \$14,075. At September 30, 2024, 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	\$ 53,497	\$ (106,493)
Differences in expected and actual experience	4,101	(20,610)
Changes in proportion	6,911	(6,915)
Contributions during measurement period	29,672	(662)
Contributions subsequent to the measurement date	20,771	-
Total	\$ 114,952	\$ (134,680)

The \$20,771 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, 2025. 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)
2025	\$ (6,383)
2026	(7,924)
2027	(16,846)
2028	(10,143)
2029	797
Total	\$ (40,499)

Note 10. Health Care Coverage

During the year ended September 30, 2024, 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.

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.

City of Murphy, Texas

Notes to the Basic Financial Statements

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 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 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 paid \$3.74 per thousand gallons of water for this fiscal year. The City's minimum annual requirement is 1,661,494,000 gallons for 2023-2024. Actual Delivery of water for 2023-2024 was 1,571,910,000 gallons. Gallons Billed totaled 1,271,110,899.

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 \$99,333 for 2024, leaving an unamortized balance of \$0 as of September 30, 2024.

City of Murphy, Texas

Notes to the Basic Financial Statements

Note 15. Construction Commitments

The City has active construction projects as of September 30, 2024. The projects include street and sidewalk infrastructure and water and sewer infrastructure improvements. At September 30, 2024, the City's commitments with contractors are as follows:

Project	Remaining Commitment
Infrastructure	\$ 2,010,619
Utility infrastructure	767,217
Totals	\$ 2,777,836

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, 2024 consist of the following and are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and cash equivalents	\$ 3,431,834
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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 fair 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, 2024, CDC deposits with financial institutions were covered by FDIC and fully collateralized.

C. Receivables

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

Receivables:	
Sales tax	\$ 220,780
Total	\$ 220,780

City of Murphy, Texas

Notes to the Basic Financial Statements

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, 2024 consist of and are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and cash equivalents	<u>\$ 4,563,765</u>
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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 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 fair 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, 2024, 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	<u>\$ 109,822</u>
Total	<u>\$ 109,822</u>

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Required Supplementary Information

City of Murphy, Texas

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

	Measurement Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	\$ 1,629,063	\$ 1,527,152	\$ 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)	2,256,923	2,077,768	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	82,904	(71,837)	-	59,754	101,617	(117,188)	(71,082)	219,473	(100,244)	(124,436)
Change in assumptions	(152,052)	-	105,004	-	136,320	-	-	-	46,815	-
Benefit payments, including refunds of employee contributions	(981,156)	(878,626)	(784,319)	(940,989)	(525,453)	(477,094)	(485,755)	(425,744)	(458,443)	(333,601)
Net change in total pension liability	2,835,682	2,654,457	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	33,111,936	30,457,479	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)	35,947,618	33,111,936	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	1,244,499	1,197,488	1,189,113	1,164,793	1,151,002	1,076,118	1,022,730	931,923	943,727	638,669
Contributions - employee	623,139	589,067	584,536	583,230	571,063	540,145	496,746	474,375	473,766	423,071
Net investment income	3,270,513	(2,151,626)	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	(981,156)	(878,626)	(784,319)	(940,989)	(525,453)	(477,094)	(485,755)	(425,744)	(458,443)	(333,601)
Administrative expense	(20,721)	(18,560)	(15,154)	(11,104)	(16,206)	(10,399)	(10,686)	(9,944)	(10,842)	(6,408)
Other	(144)	22,148	106	(435)	(486)	(546)	(542)	(537)	(536)	(527)
Net change in plan fiduciary net position	4,136,130	(1,240,109)	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	28,142,439	29,382,548	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)	32,278,569	28,142,439	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)	\$ 3,669,049	\$ 4,969,497	\$ 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	89.79%	84.99%	96.47%	90.75%	89.43%	82.48%	88.72%	81.57%	81.24%	84.50%
Covered payroll	\$ 8,901,986	\$ 8,349,658	\$ 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	41.22%	59.52%	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.

Note: Measurement period is as of December 31.

City of Murphy, Texas

Schedule of Pension Contributions Texas Municipal Retirement System Last Ten Fiscal Years

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Actuarially determined contribution	\$ 1,407,098	\$ 1,199,963	\$ 1,230,676	\$ 1,174,871	\$ 1,167,249	\$ 1,133,549	\$ 1,062,070	\$ 995,834	\$ 906,822	\$ 841,012
Contributions in relation of the actuarially determined contribution	1,407,098	1,199,963	1,230,676	1,174,871	1,167,249	1,133,549	1,062,070	995,834	906,822	841,012
CONTRIBUTION DEFICIENCY (EXCESS)	\$ -									
Covered payroll	\$ 10,021,050	\$ 8,546,747	\$ 8,642,389	\$ 8,374,629	\$ 8,328,170	\$ 8,056,878	\$ 7,546,881	\$ 6,997,115	\$ 6,708,287	\$ 6,442,822
Contributions as a percentage of covered payroll	14.04%	14.04%	14.24%	14.03%	14.02%	14.07%	14.07%	14.23%	13.52%	13.05%

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.

City of Murphy, Texas

Schedule of Total OPEB Liability and Related Ratios

Texas Municipal Retirement System

Last Seven Measurement Periods

	Measurement Year 2023	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
TOTAL OPEB LIABILITY							
Service cost	\$ 16,914	\$ 29,224	\$ 30,062	\$ 23,329	\$ 16,316	\$ 18,519	\$ 14,902
Interest	10,763	7,604	7,216	7,819	8,590	7,034	6,443
Difference between expected and actual experience	(6,652)	(9,129)	5,062	(9,195)	(24,498)	13,796	-
Change in assumptions	16,989	(163,846)	14,708	54,104	50,095	(18,427)	19,660
Benefit payments	(6,231)	(4,175)	(4,175)	(1,666)	(816)	(772)	(710)
Net change in total OPEB liability	31,783	(140,322)	52,873	74,391	49,687	20,150	40,295
Total OPEB Liability-beginning	260,422	400,744	347,871	273,480	223,793	203,643	163,348
TOTAL OPEB LIABILITY-ENDING	\$ 292,205	\$ 260,422	\$ 400,744	\$ 347,871	\$ 273,480	\$ 223,793	\$ 203,643
Covered - employee payroll	\$ 8,901,986	\$ 8,349,658	\$ 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	3.28%	3.12%	4.80%	4.18%	3.35%	2.90%	2.87%

Only seven 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 Seven Fiscal Years

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2018</u>
Actuarially determined contribution	\$ 27,057	\$ 20,512	\$ 12,099	\$ 11,724	\$ 12,639	\$ 10,037	\$ 8,302
Contribution in relation of the actuarially determined contribution	27,057	20,512	12,099	11,724	12,639	10,037	8,302
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>						
Covered - employee payroll	\$ 10,021,050	\$ 8,546,747	\$ 8,642,389	\$ 8,374,629	\$ 8,328,170	\$ 8,056,878	\$ 7,546,881
Contributions as a percentage of covered - employee payroll	0.27%	0.24%	0.14%	0.14%	0.15%	0.12%	0.11%

Only seven 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, 2024

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	21 years
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 4,346,232	\$ 4,346,232	\$ 4,311,915	\$ (34,317)
Investment income	7,000	7,000	87,544	80,544
Total revenues	4,353,232	4,353,232	4,399,459	46,227
EXPENDITURES				
Debt service:				
Principal retirement	3,475,000	3,475,000	3,475,000	-
Interest and fiscal charges	856,432	856,432	855,132	1,300
Total expenditures	4,331,432	4,331,432	4,330,132	1,300
Excess of revenue over expenditures	21,800	21,800	69,327	47,527
Net change in fund balance	21,800	21,800	69,327	47,527
Fund balance, beginning of year	782,857	782,857	782,857	-
FUND BALANCE, end of year	\$ 804,657	\$ 804,657	\$ 852,184	\$ 47,527

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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes	\$ 729,964	\$ 729,964	\$ 716,776	\$ (13,188)
Charges for services	-	-	44,400	44,400
Investment income	31,818	31,818	146,331	114,513
Total revenues	761,782	761,782	907,507	145,725
EXPENDITURES				
Current operating:				
General government	10,000	43,429	41,525	1,904
Capital outlay	6,113,999	6,141,220	1,161,524	4,979,696
Total expenditures	6,123,999	6,184,649	1,203,049	4,981,600
Decficiency of revenue under expenditures	(5,362,217)	(5,422,867)	(295,542)	5,127,325
Net change in fund balance	(5,362,217)	(5,422,867)	(295,542)	5,127,325
Fund balance, beginning of year	6,384,464	6,384,464	6,384,464	-
FUND BALANCE, end of year	\$ 1,022,247	\$ 961,597	\$ 6,088,922	\$ 5,127,325

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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 803,840	\$ 841,671	\$ 37,831
Investment income	-	-	209,030	209,030
Total revenues	-	803,840	1,050,701	246,861
EXPENDITURES				
Current operating:				
General government	-	3,268	3,268	-
Capital outlay	4,804,521	2,343,234	838,403	1,504,831
Total expenditures	4,804,521	2,346,502	841,671	1,504,831
Excess (deficiency) of revenue over (under) expenditures	(4,804,521)	(1,542,662)	209,030	1,751,692
Net change in fund balance	(4,804,521)	(1,542,662)	209,030	1,751,692
Fund balance, beginning of year	4,432	4,432	4,432	-
FUND BALANCE, end of year	\$ (4,800,089)	\$ (1,538,230)	\$ 213,462	\$ 1,751,692

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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 1,459,928	\$ 1,459,928	\$ 1,433,553	\$ (26,375)
Charges for service	5,000	36,508	37,161	653
Donations	2,000	2,000	13,301	11,301
Investment income	2,022	2,022	137,605	135,583
Total revenues	1,468,950	1,500,458	1,621,620	121,162
EXPENDITURES				
Current				
Personnel services	96,549	80,486	34,904	45,582
Administration	295,788	295,788	275,788	20,000
Contractual services and supplies	10,400	10,400	7,673	2,727
Community events	328,638	470,817	382,505	88,312
Capital outlay	1,176,000	2,843,000	880,118	1,962,882
Total expenditures	1,907,375	3,700,491	1,580,988	2,119,503
Net change in fund balance	(438,425)	(2,200,033)	40,632	2,240,665
Fund balance, October 1	3,333,378	3,333,378	3,333,378	-
FUND BALANCE, September 30	\$ 2,894,953	\$ 1,133,345	\$ 3,374,010	\$ 2,240,665

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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 720,323	\$ 720,323	\$ 710,225	\$ (10,098)
Investment income	5,233	5,233	211,334	206,101
Total revenues	725,556	725,556	921,559	196,003
EXPENDITURES				
Current				
Administration	671,676	671,676	309,556	362,120
Contractual services	7,000	7,000	5,144	1,856
Capital outlay	125,050	2,167,534	64,648	2,102,886
Total expenditures	803,726	2,846,210	379,348	2,466,862
Net change in fund balance	(78,170)	(2,120,654)	542,211	2,662,865
Fund balance, October 1	4,085,445	4,085,445	4,085,445	-
FUND BALANCE, September 30	\$ 4,007,275	\$ 1,964,791	\$ 4,627,656	\$ 2,662,865

Statistical Section

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City of Murphy, Texas

Statistical Section and Continuing Disclosure 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.

Continuing Disclosure Section

Governmental entities (issuers) issuing bonds generally have an obligation to meet specific continuing disclosure standards set forth in continuing disclosure agreements. These schedules provide the monitoring and reporting to meet those standards.

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City of Murphy, Texas

Net Position by Component

Last Ten Fiscal Years (Unaudited)

(Accrual Basis of Accounting) – Amounts Expressed in Thousands

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 50,922	\$ 48,931	\$ 55,882	\$ 54,480
Restricted	832	2,611	2,209	1,557
Unrestricted	2,455	4,543	3,127	3,585
Total governmental activities net position	\$ 54,209	\$ 56,085	\$ 61,218	\$ 59,622
Business-type activities				
Net investment in capital assets	\$ 22,284	\$ 25,461	\$ 25,647	\$ 19,020
Restricted	647	674	707	827
Unrestricted	6,332	3,398	3,146	10,597
Total business-type activities net position	\$ 29,263	\$ 29,533	\$ 29,500	\$ 30,444
Primary government				
Net investment in capital assets	\$ 73,206	\$ 74,392	\$ 81,529	\$ 73,500
Restricted	1,479	3,285	2,916	2,384
Unrestricted	8,787	7,941	6,273	14,182
Total primary governmental net position	\$ 83,472	\$ 85,618	\$ 90,718	\$ 90,066

Source: Annual Comprehensive Financial Report

Table 1

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 54,524	\$ 57,681	\$ 58,792	\$ 60,541	\$ 62,331	\$ 64,619
1,301	1,035	951	923	933	1,187
3,961	5,496	6,864	8,830	10,585	8,893
<u>\$ 59,786</u>	<u>\$ 64,212</u>	<u>\$ 66,607</u>	<u>\$ 70,294</u>	<u>\$ 73,849</u>	<u>\$ 74,699</u>
\$ 25,854	\$ 28,678	\$ 28,651	\$ 29,416	\$ 30,688	\$ 32,559
956	898	843	756	633	625
5,478	7,222	7,822	9,736	11,197	14,450
<u>\$ 32,288</u>	<u>\$ 36,798</u>	<u>\$ 37,316</u>	<u>\$ 39,908</u>	<u>\$ 42,518</u>	<u>\$ 47,634</u>
\$ 80,378	\$ 86,359	\$ 87,443	\$ 89,957	\$ 93,019	\$ 97,178
2,257	1,933	1,794	1,679	1,566	1,812
9,439	12,718	14,686	18,566	21,782	23,343
<u>\$ 92,074</u>	<u>\$ 101,010</u>	<u>\$ 103,923</u>	<u>\$ 110,202</u>	<u>\$ 116,367</u>	<u>\$ 122,333</u>

City Of Murphy, Texas

Changes in Net Position

Last Ten Fiscal Years (Unaudited)

(Accrual Basis of Accounting) – Amounts Expressed in Thousands

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	\$ 4,051	\$ 5,266	\$ 5,522	\$ 5,219
Public safety	5,905	6,268	6,478	6,979
Public services and operations	702	684	723	581
Parks and recreation	151	121	157	2,342
Public works	1,587	1,812	2,122	1,313
Sanitation services	1,433	1,101	1,217	880
Development	756	761	770	144
Interest on long-term debt	1,228	986	933	1,201
Total governmental activities expenses	15,813	16,999	17,922	18,659
Business-type activities:				
Water and sewer	7,388	8,172	8,668	9,449
Storm water	-	-	-	-
Total business-type activities expenses	7,388	8,172	8,668	9,449
Total primary government expenses	\$ 23,201	\$ 25,171	\$ 26,590	\$ 28,108
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 15	\$ 15	\$ 11	\$ 16
Public safety	716	698	804	633
Public services and operations	117	139	129	584
Parks and recreation	220	221	228	126
Public works	559	1,017	612	248
Sanitation services	917	916	938	1,026
Operating grants and contributions	717	1,485	750	383
Capital grants and contributions	2,821	1,689	3,275	-
Total governmental activities program revenues	6,082	6,180	6,747	3,016
Business-type activities:				
Charges for services:				
Water and sewer	8,623	8,980	9,440	11,111
Storm water	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	8,623	8,980	9,440	11,111
Total primary government program revenues	\$ 14,705	\$ 15,160	\$ 16,187	\$ 14,127

Source: Annual Comprehensive Financial Report

Table 2

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 5,299	\$ 5,618	\$ 6,029	\$ 5,644	\$ 6,182	\$ 8,370	
7,397	7,242	6,928	7,428	7,568	8,774	
769	760	825	889	864	898	
2,509	2,479	2,204	2,287	2,267	2,174	
1,391	1,358	1,375	1,249	1,405	1,299	
979	1,007	1,034	1,054	1,079	1,158	
-	-	-	-	-	-	
1,283	1,256	1,703	788	684	570	
19,627	19,720	20,098	19,339	20,049	23,243	
10,265	10,514	10,661	10,317	11,915	12,929	
138	181	222	190	387	253	
10,403	10,695	10,883	10,507	12,302	13,182	
<u>\$ 30,030</u>	<u>\$ 30,415</u>	<u>\$ 30,981</u>	<u>\$ 29,846</u>	<u>\$ 32,351</u>	<u>\$ 36,425</u>	
\$ 16	\$ 13	\$ 18	\$ 41	\$ 36	\$ 21	
664	618	865	753	893	813	
627	652	433	507	494	500	
136	65	85	116	134	116	
-	-	-	-	-	-	
1,190	1,224	1,305	1,285	1,328	1,348	
548	1,232	784	732	922	4,887	
-	-	443	407	152	-	
3,181	3,804	3,933	3,841	3,959	7,685	
12,668	12,042	11,699	12,895	13,864	14,217	
230	321	310	327	332	329	
-	132	196	513	279	53	
12,898	12,495	12,205	13,735	14,475	14,599	
<u>\$ 16,079</u>	<u>\$ 16,299</u>	<u>\$ 16,138</u>	<u>\$ 17,576</u>	<u>\$ 18,434</u>	<u>\$ 22,284</u>	

City of Murphy, Texas

Changes in Net Position – Continued

Last Ten Fiscal Years (Unaudited)

(Accrual Basis of Accounting) – Amounts Expressed in Thousands

	Fiscal Year			
	2015	2016	2017	2018
Net (Expense) Revenues				
Governmental activities	\$ (9,731)	\$ (10,819)	\$ (11,175)	\$ (15,643)
Business-type activities	1,235	808	772	1,662
Total primary government net expense	<u>\$ (8,496)</u>	<u>\$ (10,011)</u>	<u>\$ (10,403)</u>	<u>\$ (13,981)</u>
General Revenues and other Changes in Net Position				
Governmental activities:				
Taxes:				
Property	\$ 9,911	\$ 10,483	\$ 11,179	\$ 11,792
Sales	1,801	2,006	2,001	1,986
Franchise	1,041	1,029	992	976
Investment income	11	26	49	81
Miscellaneous	57	770	1,236	64
Transfers	850	850	850	385
Total governmental activities	<u>13,671</u>	<u>15,164</u>	<u>16,307</u>	<u>15,284</u>
Business-type activities:				
Investment income	6	19	32	36
Miscellaneous	22	35	12	84
Transfers	(850)	(850)	(850)	(385)
Total business-type activities	<u>(822)</u>	<u>(796)</u>	<u>(806)</u>	<u>(265)</u>
Total primary government	<u>\$ 12,849</u>	<u>\$ 14,368</u>	<u>\$ 15,501</u>	<u>\$ 15,019</u>
Change in Net Position				
Governmental activities	\$ 3,940	\$ 4,344	\$ 5,132	\$ (359)
Business-type activities	413	12	(34)	1,397
Total primary government	<u>\$ 4,353</u>	<u>\$ 4,356</u>	<u>\$ 5,098</u>	<u>\$ 1,038</u>

Table 2 (Concluded)

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ (16,446)	\$ (15,916)	\$ (16,165)	\$ (15,498)	\$ (16,090)	\$ (15,558)
2,495	1,800	1,322	3,228	2,173	1,417
<u>\$ (13,951)</u>	<u>\$ (14,116)</u>	<u>\$ (14,843)</u>	<u>\$ (12,270)</u>	<u>\$ (13,917)</u>	<u>\$ (14,141)</u>
\$ 12,328	\$ 12,833	\$ 13,104	\$ 13,546	\$ 14,328	\$ 13,894
2,144	2,927	3,474	3,612	3,714	3,625
1,012	956	912	966	1,024	976
94	76	122	121	682	1,037
157	710	76	153	47	116
875	855	872	788	(151)	(3,240)
<u>16,610</u>	<u>18,357</u>	<u>18,560</u>	<u>19,186</u>	<u>19,644</u>	<u>16,408</u>
58	58	64	51	282	457
166	41	4	100	4	2
(875)	(855)	(872)	(788)	151	3,240
<u>(651)</u>	<u>(756)</u>	<u>(804)</u>	<u>(637)</u>	<u>437</u>	<u>3,699</u>
<u>\$ 15,959</u>	<u>\$ 17,601</u>	<u>\$ 17,756</u>	<u>\$ 18,549</u>	<u>\$ 20,081</u>	<u>\$ 20,107</u>
\$ 164	\$ 2,441	\$ 2,395	\$ 3,688	\$ 3,554	\$ 850
1,844	1,044	518	2,591	2,611	5,116
<u>\$ 2,008</u>	<u>\$ 3,485</u>	<u>\$ 2,913</u>	<u>\$ 6,279</u>	<u>\$ 6,165</u>	<u>\$ 5,966</u>

City of Murphy, Texas**Table 3**

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

Fiscal Year Ended	Property Tax	Sales Tax	Franchise Tax	Total
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
2023	14,328	3,714	1,024	19,066
2024	13,894	3,625	976	18,495

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			
	2015	2016	2017	2018
General Fund				
Nonspendable - prepaid items	\$ -	\$ 29	\$ 61	\$ 1
Restricted for:				
Court use	88	70	73	64
Animal shelter	12	8	7	11
PEG fees	15	5	5	14
Assigned for:				
Police	11	11	16	9
Unassigned	3,965	5,155	5,036	5,869
Total general fund	\$ 4,091	\$ 5,278	\$ 5,198	\$ 5,968
All other governmental funds				
Restricted for:				
Debt service	\$ 836	\$ 860	\$ 903	\$ 934
Capital improvements	1,958	1,780	1,320	13,983
Grants	-	-	-	-
Total all other governmental funds	\$ 2,794	\$ 2,640	\$ 2,223	\$ 14,917

Source: Annual Comprehensive Financial Report

Table 4

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 22	\$ -	\$ -	\$ -	\$ 2	\$ -	
65	41	36	36	36	31	
11	11	11	12	12	12	
14	28	38	27	40	52	
1	36	35	42	43	17	
6,390	8,131	9,421	10,978	12,819	11,028	
<u>\$ 6,503</u>	<u>\$ 8,247</u>	<u>\$ 9,541</u>	<u>\$ 11,095</u>	<u>\$ 12,952</u>	<u>\$ 11,140</u>	
\$ 966	\$ 877	\$ 759	\$ 757	\$ 783	\$ 852	
8,798	15,910	6,111	7,273	6,385	6,089	
-	-	-	-	4	213	
<u>\$ 9,764</u>	<u>\$ 16,787</u>	<u>\$ 6,870</u>	<u>\$ 8,030</u>	<u>\$ 7,172</u>	<u>\$ 7,154</u>	

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			
	2015	2016	2017	2018
REVENUES				
Taxes:				
Property	\$ 9,892	\$ 10,483	\$ 11,179	\$ 11,805
Sales	1,801	2,006	2,001	1,986
Franchise	1,041	1,029	992	975
Charges for services	1,647	1,739	1,766	1,866
Licenses and permits	521	941	560	485
Fines and forfeitures	370	304	360	298
Investment income	11	26	49	81
Intergovernmental	3,533	1,385	1,820	709
Donations	11	4	2	8
Miscellaneous	67	779	1,254	88
Total revenues	18,894	18,696	19,983	18,301
EXPENDITURES				
General government	3,060	4,250	4,831	3,999
Public safety	5,683	5,876	6,219	6,346
Public works	285	231	271	235
Public service and operations	668	646	675	537
Sanitation	756	761	770	880
Development	152	119	153	143
Parks and Recreation	1,137	1,118	1,493	1,482
Capital outlay	4,862	2,978	2,455	1,421
Debt service				
Principal retirement	3,095	3,235	3,410	3,215
Interest and fiscal charges	1,198	1,099	1,039	931
Other	-	-	14	288
Total expenditures	20,896	20,313	21,330	19,477
Excess (deficiency) of revenues over (under) expenditures	(2,002)	(1,617)	(1,347)	(1,176)
OTHER FINANCING SOURCES (USES)				
Bonds/notes proceeds	-	1,800	-	13,845
Premium (discount) on issuance of debt	-	-	-	558
Payments to escrow agent	-	-	-	-
Financed purchases	-	-	-	-
Transfers in	850	851	850	928
Transfers out	-	(1)	-	(543)
Total other financing sources (uses)	850	2,650	850	14,788
NET CHANGE IN FUND BALANCES	\$ (1,152)	\$ 1,033	\$ (497)	\$ 13,612
Debt service as a percentage of noncapital expenditures	26.41%	24.92%	30.47%	23.13%

Source: Annual Comprehensive Financial Report

Table 5

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 12,287	\$ 12,857	\$ 13,087	\$ 13,532	\$ 14,304	\$ 13,891	
2,144	2,927	3,474	3,612	3,714	3,625	
1,012	956	912	966	1,024	976	
1,829	1,780	2,002	1,923	2,124	2,136	
531	571	339	383	413	413	
261	215	394	345	344	301	
94	76	122	122	682	1,036	
882	1,261	759	695	889	4,810	
1	4	1	12	9	8	
181	736	101	209	71	142	
19,222	21,383	21,191	21,799	23,574	27,338	
4,285	4,313	5,412	4,758	5,256	7,209	
6,681	6,684	6,502	6,784	7,080	8,641	
300	271	263	235	255	840	
738	705	766	810	799	883	
979	1,007	1,034	1,725	1,079	1,158	
-	-	-	-	-	-	
1,660	1,738	1,528	1,054	1,687	1,957	
5,180	4,302	10,239	2,448	1,119	2,000	
3,370	3,677	3,747	4,146	4,493	3,598	
1,523	1,177	1,295	1,042	1,002	868	
-	180	121	41	-	-	
24,716	24,054	30,907	23,043	22,770	27,154	
(5,494)	(2,671)	(9,716)	(1,244)	804	184	
-	9,915	8,850	3,050	-	-	
-	400	1,010	-	-	-	
-	-	(9,908)	-	-	-	
-	269	268	120	-	-	
875	900	900	925	925	955	
-	(45)	(28)	(137)	(731)	(2,969)	
875	11,439	1,092	3,958	194	(2,014)	
\$ (4,619)	\$ 8,768	\$ (8,624)	\$ 2,714	\$ 998	\$ (1,830)	
25.53%	25.13%	25.82%	26.33%	27.17%	19.46%	

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					
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%
2023	2,685,120	405,128	-	3,090,248	0.4650	3,090,248	100.00%
2024	2,970,013	450,879	-	3,420,892	0.4080	3,420,892	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

Table 7

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

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
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	0.315104	0.179896	0.495000	1.323750	1.520500	0.172531	0.081222
2021	0.309856	0.185144	0.495000	1.320750	1.459800	0.168087	0.081222
2022	0.310185	0.184815	0.495000	1.259750	1.397900	0.152443	0.081220
2023	0.290594	0.174406	0.465000	1.077850	1.212500	0.149343	0.081220
2024	0.281360	0.126686	0.408046	1.042450	1.210200	0.149343	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 Nine Years Ago (Unaudited)

Table 8

Taxpayer	2024			Assessed Taxpayer Value	2015		
	Assessed Taxable Value	Rank	Percentage of Assessed Taxable Value		Assessed Taxable Value	Rank	Percentage of Assessed Taxable Value
MURPHY MARKETPLACE STATION LLC	\$ 69,944	1	2.04%	ALLEN & LOUCKS VENTURE LP	\$ 27,504	1	1.55%
WAL-MART REAL ESTATE BUSINESS TRUST	16,371	2	0.48%	WAL-MART REAL ESTATE BUSINESS TRUST	16,208	2	0.91%
MURPHY CROSSING SHOPPING CENTER DALLAS TX LP	15,181	3	0.44%	LOWE'S HOME CENTERS INC.	15,429	3	0.87%
GII SHP EBSW DFW LLC	13,724	4	0.40%	WAL-MART STORES TEXAS LLC	10,389	4	0.59%
LOWE'S HOME CENTERS INC	12,585	5	0.37%	ALLEN & LOUCKS VENTURES LP	9,890	5	0.56%
NSA PROPERTY HOLDINGS LLC	12,272	6	0.36%	MURPHY CROSSING SHOPPING CENTER DALLAS TX LP	9,165	6	0.52%
TIMBER RIDGE CENTER	10,172	7	0.30%	DUKE REALTY BEMC MURPHY DEVELOPMENT LLC	8,752	7	0.49%
NSA PROPERTY HOLDINGS LLC	10,049	8	0.29%	MURPHY AL PARTNERS, LP	7,980	8	0.45%
ATMOS ENERGY/MID-TEX DISTRIBUTION	9,344	9	0.27%	MURPHY STORAGE PARTNERS LLC	6,577	9	0.37%
WELLTOWER TCG RIDEA LANDLORD LLC	8,600	10	0.25%	ABS TX INVESTOR LP	5,356	10	0.30%
Total	\$ 178,242		5.21%	Total	\$ 117,250		6.61%

Source: Collin Central Appraisal District

[Top Taxpayer Reports – Collin Central Appraisal District](#)

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	Adjusted 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
2015	\$ 9,888	NA	\$ 9,870	99.82%	3	\$ 9,873	99.85%
2016	10,448	NA	10,424	99.77%	62	10,486	100.36% *
2017	10,751	NA	11,125	103.48%	57	11,182	104.01% *
2018	11,373	NA	11,763	103.73%	34	11,797	103.73% *
2019	11,833	NA	12,247	103.50%	44	12,291	103.87% *
2020	12,465	12,836	12,861	103.18%	2	12,863	103.19% *
2021	13,040	13,091	13,105	100.50%	(10)	13,095	100.42% *
2022	13,294	13,517	13,522	101.72%	16	13,538	101.84% *
2023	13,535	14,311	14,305	105.69%	4	14,309	105.72% *
2024	13,802	-	13,865	100.46%		13,877	100.54% *

Source: Collin County Tax Assessor-Collector

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

* Percentage of levy calculations are greater than 100% based on the original tax levy. Adjustments to the original levy occur after the beginning of the fiscal year, once all protests are evaluated and settled. Delinquent collections in subsequent years are reported as a total; not by delinquent year causing collections to be greater than 100%. Penalties and Interest collected can also cause collections to be greater than 100% in any given fiscal year.

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

Table 10

Fiscal Year	Water	Sewer	Storm Water	Total
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
2023	9,755	4,109	332	14,196
2024	10,010	4,207	329	14,546

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	Per Capita
	General Obligation Bonds	Financed Purchases	Gen Oblig & Refunding Bonds	Tax Note	Issuance Premiums	Revenue Bonds	Gen Oblig Bonds and Cert of Oblig	Tax Note	Issuance Premiums				
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	242	33,215	3,180	1,704	-	11,795	-	260	53,236	5.38%	2,583	
2021	-	338	32,170	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	
2023	-	205	25,460	3,950	1,651	-	9,170	2,105	472	43,013	3.85%	2,029	
2024	-	82	22,795	3,140	1,347	-	8,365	1,780	410	37,919	3.44%	1,787	

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
2015	\$ 32,079	\$ 716	\$ 31,363	\$ 0	\$ 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
2023	27,111	708	26,403	0.85%	1,245
2024	22,795	776	22,019	0.64%	1,038

Source: Annual Comprehensive Financial Report

City of Murphy, Texas

Legal Debt Margin Information

Last Ten Years (Unaudited)

(Amounts Expressed in Thousands)

Table 14

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 45,016	\$ 49,375	\$ 54,802	\$ 85,843	\$ 62,606	\$ 65,151	\$ 66,269	\$ 67,139	\$ 77,256	\$ 85,522
Total net debt applicable to limit	32,080	39,228	35,199	48,634	33,472	39,966	36,247	35,075	26,403	22,038
	<u>\$ 12,936</u>	<u>\$ 10,147</u>	<u>\$ 19,603</u>	<u>\$ 37,209</u>	<u>\$ 29,134</u>	<u>\$ 25,185</u>	<u>\$ 30,022</u>	<u>\$ 32,064</u>	<u>\$ 50,853</u>	<u>\$ 63,484</u>
Total net debt applicable to the limit as a percentage of debt limit	71.26%	79.45%	64.23%	56.65%	53.46%	61.34%	54.70%	52.24%	34.18%	25.77%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	\$ 3,420,892
Add back: exempt real property	-
Total assessed value	<u>\$ 3,420,892</u>
Debt limit (2.5% of total assessed value)	\$ 85,522
Debt applicable to limit:	
Long term bonds	22,795
Less: amounts set aside for repayment of long term bonds	(757)
Total net debt applicable to limit	<u>\$ 22,038</u>
Legal debt margin	<u>\$ 63,484</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	
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
2023	14,151	10,283	3,868	1,130	361	3
2024	14,676	11,215	3,461	1,165	329	2

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

Fiscal Year	Estimated Population	Personal Income	Per Capita Personal Income	Median Age	Level in Years of Formal Schooling	School Enrollment	Unemployment Rate
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%
2023	21,204	1,116,475,416	52,654	37.8	72.90%	5,622	4.2%
2024	21,219	1,101,384,477	52,189	39.6	79.96%	5,741	3.9%

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	2024			Employer	2015		
	No. of Employees	Rank	Percentage of Total City Employment		No. of Employees	Rank	Percentage of Total City Employment
Walmart	259	1	5.62%	Walmart	300	1	12.06%
City of Murphy	149	2	3.23%	City of Murphy	125	2	5.02%
Lowe's Home Improvement	145	3	3.15%	McMillen High School	118	3	4.74%
McMillen High School	105	4	2.28%	Lowe's Home Improvement	113	4	4.54%
Murphy Middle School	86	5	1.87%	Murphy Middle School	100	5	4.02%
Chick-Fil-A	75	6	1.63%	Boggess Elementary School	78	6	3.13%
Tibbals Elementary School	71	7	1.54%	Chick-fil-a	72	7	2.89%
Sprouts	69	8	1.50%	Hunt Elementary School	72	8	2.89%
Boggess Elementary School	58	9	1.26%	Tibbals Elementary School	65	9	2.61%
Hunt Elementary School	54	10	1.17%	Albertson's	63	10	2.53%

Source: Murphy Economic Development

City of Murphy, Texas

Table 18

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

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	21.0	24.0	24.0	22.0	23.0	26.5	26.5	26.5	27.5	29.5
Public safety										
Police										
Officers	24.0	24.0	23.0	23.0	23.0	24.0	24.0	24.0	25.0	25.0
Civilians	11.0	11.0	17.5	19.5	19.5	18.5	18.5	18.5	18.5	18.5
Fire										
Firefighters and officers	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Animal Control	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Service										
Municipal Court	4.0	3.0	4.0	4.0	4.5	4.5	3.5	3.5	3.5	3.5
Cultural and Recreation	13.0	15.0	17.0	17.0	18.0	18.0	18.0	19.5	19.5	19.5
Water										
Administration	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0
Water	10.0	9.0	10.0	11.0	7.5	7.5	8.0	8.0	8.0	8.0
Wastewater	1.0	1.0	1.0	1.0	3.7	3.7	3.0	3.0	3.0	3.0
Stormwater	-	-	-	-	1.8	1.8	2.0	4.0	4.0	4.0
Bond Projects	-	-	-	2.0	2.0	2.0	2.0	1.0	-	-
Total	117.0	120.0	129.5	132.5	135.0	138.5	137.5	140.0	141.0	143.0

Source: Government Human Resource Department

Note: FTE numbers are presented for 2017-2024. In prior years, some department information not available.

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			
	2015	2016	2017	2018
Police				
Physical arrests	198	217	184	180
Traffic violations	2,903	3,247	3,483	2,694
Fire				
Number of calls answered	1,301	1,449	1,332	1,424
Inspections	137	183	334	191
Water				
New connections	97	79	22	22
Average daily consumption (gallons) (thousands of gallons)	2,685	2,647	3,600	4,219
Wastewater				
Average daily sewage treatment (thousands of gallons)	2,518	2,473	1,913	2,012

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					
2019	2020	2021	2022	2023	2024
258	145	167	162	221	246
2,669	2,219	2,373	2,819	3,142	3,695
1,379	1,167	1,578	1,492	1,577	1,675
274	201	274	351	356	264
75	63	60	60	64	11
2,359	2,818	3,889	3,889	4,262	3,366
1,959	2,070	2,077	2,077	1,986	2,327

City of Murphy, Texas

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

Table 20

FUNCTION	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units/CID vehicles	19	20	21	19	20	20	20	20	24	24
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Engines	2	2	2	2	2	2	2	2	2	2
Ambulances	3	3	3	3	3	3	3	3	3	3
Vehicles	5	5	5	5	5	5	5	5	5	5
Public works										
Streets (miles)	82.5	82.5	82.5	102.1	103.75	103.89	100.22	100.22	102.1	93.0
Culture & Recreation										
Parks acreage	322	322	322	322	322	322	322	322	324	324
Parks	10	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)	94.6	94.9	95.0	95.0	95.2	99.3	99.3	99.3	101.0	101.2
Fire hydrants	949	1,067	1,067	1,068	1,091	1,103	1,103	1,103	1,226	1,126
Wastewater										
Sanitary sewers (miles)	85.0	85.3	85.0	85.2	89.3	99.4	90.7	90.7	91.0	91.0

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, 2024
(Unaudited)

Table 1CD

2023-2024 Market Valuation Established by Collin County Appraisal District (excluding totally exempt property & Homestead Cap. Adj.)		\$ 4,149,213,664
Less Exemptions/reductions at 100% market value:		
Agricultural/open space land use	\$ 6,950,706	
Homestead cap	442,393,404	
Over 65 and disabled	53,173,787	
Disabled veterans	23,635,326	
Disabled persons	3,975,000	
Other categories	198,193,791	<u>728,322,014</u>
2023-2024 Taxable assessed valuation		<u>\$ 3,420,891,650</u>
General debt payable from ad valorem taxes		\$ 36,080,000
General interest and sinking fund as of September		<u>852,185</u>
Ratio general tax debt to taxable assessed valuation		1.05%
2024 estimated population	21,219	
Per capita taxable assessed valuation	\$ 161,218	
Per capita net funded debt payable from ad valorem taxes	\$ 1,700	

Note: Collin Central Appraisal District - 2023 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
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
2023	0.4650	0.2906	0.1744	13,535,151	14,268,600	105.42
2024	0.4080	0.2814	0.1267	13,801,829	13,877,053	100.55

Source:¹ Collin Central Appraisal District

City of Murphy, Texas

General Obligation Debt Service Requirements
 For the Fiscal Year Ended September 30, 2024
 (Unaudited)

Table 3CD

Fiscal Year	Outstanding Debt			% of Principal Retired
	Principal	Interest	Total	
2025	\$ 2,635,000	\$ 764,814	\$ 3,399,814	10.16%
2026	2,535,000	694,146	3,229,146	9.77%
2027	2,630,000	614,288	3,244,288	10.14%
2028	2,455,000	524,543	2,979,543	9.47%
2029	2,545,000	433,950	2,978,950	9.81%
2030	1,720,000	357,135	2,077,135	6.63%
2031	1,475,000	302,624	1,777,624	5.69%
2032	1,170,000	261,249	1,431,249	4.51%
2033	1,210,000	225,549	1,435,549	4.67%
2034	1,240,000	190,668	1,430,668	4.78%
2035	1,275,000	156,614	1,431,614	4.92%
2036	1,310,000	120,833	1,430,833	5.05%
2037	1,350,000	83,221	1,433,221	5.21%
2038	1,385,000	44,286	1,429,286	5.34%
2039	495,000	18,565	513,565	1.91%
2040	505,000	6,313	511,313	1.95%
	<u>\$ 25,935,000</u>	<u>\$ 4,798,798</u>	<u>\$ 30,733,798</u>	

City of Murphy, Texas

Governmental Fund Revenues and Expenditure History

Governmental Funds

Last Ten Fiscal Years

(Unaudited)

(Amounts Expressed in Thousands)

	Fiscal Year				
	2014	2015	2016	2017	2018
REVENUES					
Taxes	\$ 11,960	\$ 12,734	\$ 13,518	\$ 14,172	\$ 14,767
Permits and licenses	688	521	941	560	485
Charge for services	1,633	1,647	1,739	1,766	1,866
Fines and forfeitures	367	370	304	360	298
Investment income	12	11	26	49	81
Grants	640	2,816	620	999	15
Intergovernmental revenue	1,095	717	765	821	694
Donations	84	11	4	2	8
Miscellaneous	400	67	779	1,253	87
Total revenues	\$ 16,879	\$ 18,894	\$ 18,696	\$ 19,982	\$ 18,301
EXPENDITURES					
General government	\$ 2,552	\$ 3,060	\$ 4,250	\$ 4,831	\$ 3,999
Public safety	5,267	5,683	5,876	6,219	6,346
Public works	307	285	231	271	235
Sanitation	721	756	761	770	880
Public service and operations	624	668	646	675	537
Parks and recreation	1,127	1,137	1,118	1,493	1,482
Development	113	152	119	153	143
Capital outlay	3,330	4,862	2,978	2,455	1,421
Debt service	4,118	4,293	4,334	4,463	4,434
Total expenditures	\$ 18,159	\$ 20,896	\$ 20,313	\$ 21,330	\$ 19,477

Table 4CD- Continued

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 15,443	\$ 16,740	\$ 17,473	\$ 18,110	\$ 19,042	\$ 18,492	
531	571	339	383	413	413	
1,829	1,780	2,002	1,923	2,124	2,136	
261	215	394	345	344	301	
94	76	122	122	682	1,036	
-	-	-	-	-	-	
882	1,261	759	695	889	4,810	
1	4	1	13	9	8	
181	736	101	209	71	142	
<u>\$ 19,222</u>	<u>\$ 21,383</u>	<u>\$ 21,191</u>	<u>\$ 21,800</u>	<u>\$ 23,574</u>	<u>\$ 27,338</u>	
\$ 4,285	\$ 4,313	\$ 5,412	\$ 4,758	\$ 5,256	\$ 7,209	
6,681	6,684	6,502	6,784	7,080	8,641	
300	271	263	235	255	840	
979	1,007	1,034	1,054	1,079	1,158	
738	705	766	810	799	883	
1,660	1,738	1,528	1,725	1,687	1,957	
-	-	-	-	-	-	
5,180	4,302	10,267	2,448	1,119	2,000	
4,893	5,034	5,163	5,229	5,495	4,466	
<u>\$ 24,716</u>	<u>\$ 24,054</u>	<u>\$ 30,935</u>	<u>\$ 23,043</u>	<u>\$ 22,770</u>	<u>\$ 27,154</u>	

City of Murphy, Texas

Governmental Fund Revenues and Expenditure History

Governmental Funds

Last Ten Fiscal Years

(Unaudited)

(Amounts Expressed in Thousands)

	Fiscal Year				
	2014	2015	2016	2017	2018
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,280)	\$ (4,016)	\$ (1,617)	\$ (1,348)	\$ (1,176)
OTHER FINANCING SOURCES (USES)					
Bonds proceeds	\$ 150	\$ -	\$ 1,800	\$ -	\$ 13,845
Premium on bonds issued	-	-	-	-	558
Note proceeds	-	-	-	-	-
Financed purchases	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Net transfers	850	850	850	850	385
Total other financing sources (uses)	<u>\$ 1,000</u>	<u>\$ 850</u>	<u>\$ 2,650</u>	<u>\$ 850</u>	<u>\$ 14,788</u>
BEGINNING FUND BALANCE	8,317	8,037	6,885	7,918	7,420
PRIOR YEAR ADJUSTMENT	-	-	-	-	(147)
ENDING FUND BALANCE	<u>\$ 8,037</u>	<u>\$ 6,885</u>	<u>\$ 7,918</u>	<u>\$ 7,420</u>	<u>\$ 20,885</u>

Table 4CD – Concluded

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ (5,494)	\$ (2,671)	\$ (9,744)	\$ (1,243)	\$ 804	\$ 184
\$ -	\$ 9,915	\$ 8,850	\$ 3,050	\$ -	\$ -
-	400	1,010	-	-	-
-	-	-	-	-	-
-	269	268	120	-	-
-	-	(9,908)	-	-	-
875	856	900	788	194	(2,014)
<u>\$ 875</u>	<u>\$ 11,440</u>	<u>\$ 1,120</u>	<u>\$ 3,958</u>	<u>\$ 194</u>	<u>\$ (2,014)</u>
20,885	16,266	25,035	16,411	-	-
-	-	-	-	-	-
<u>\$ 16,266</u>	<u>\$ 25,035</u>	<u>\$ 16,411</u>	<u>\$ 19,126</u>	<u>\$ 998</u>	<u>\$ (1,830)</u>

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
2015	\$ 3,557,001	35.97%	0.1978	169
2016	3,920,231	37.51%	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	224
2021	5,525,205	42.37%	0.1615	265
2022	5,746,924	43.23%	0.1680	273
2023	5,908,003	43.65%	0.1727	279
2024	5,768,318	41.79%	0.1686	272

City of Murphy, Texas

Cash and Investments for Primary Government
For the Fiscal Year Ended September 30, 2024
(Unaudited)

Table 6CD

<u>Type of Investment</u>		
Cash on hand	0.013%	\$ 1,150
Texpool	24.648%	10,612,310
Checking and savings	75.349%	32,441,384
	<u>100.00%</u>	<u>\$ 43,054,844</u>

City of Murphy, Texas

Proprietary Funds Debt Service Requirements
 For the Fiscal Year Ended September 30, 2024
 (Unaudited)

Table 7CD

Fiscal Year	Outstanding Debt			% of Principal Retired
	Principal	Interest	Total	
2025	\$ 1,165,000	\$ 329,126	\$ 1,494,126	11.48%
2026	1,200,000	295,718	1,495,718	11.83%
2027	1,235,000	255,866	1,490,866	12.17%
2028	1,280,000	209,199	1,489,199	12.62%
2029	1,335,000	160,319	1,495,319	13.16%
2030	460,000	126,956	586,956	4.53%
2031	475,000	111,206	586,206	4.68%
2032	500,000	94,781	594,781	4.93%
2033	515,000	77,478	592,478	5.08%
2034	535,000	59,156	594,156	5.27%
2035	345,000	44,106	389,106	3.40%
2036	355,000	32,288	387,288	3.50%
2037	365,000	19,688	384,688	3.60%
2038	380,000	6,650	386,650	3.75%
	<u>\$ 10,145,000</u>	<u>\$ 1,822,537</u>	<u>\$ 11,967,537</u>	

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